



People Process Technology

**Submission IR79 - Hammond Street
Developments Pty Ltd - Skills and Workforce
Agreement - Commissioned study**

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Submission to the Review of the National Agreement for Skills and Workforce Development.

HSD is a technology company with over 20 years' experience working with government and private organisations, in a number of sectors such as education (including vocational education and training), regulation, lawful interception (of telecommunications) and health care.

Our experience in the VET sector includes design, implementation and ongoing support for the following critical systems:

- **Training.gov.au (TGA) System** – TGA is the national register for VET which allows VET regulators to meet their obligations under the respective pieces of legislation and policy. The TGA system, through its CMS allows Skills Service Organisation to publish training packages and their components to the register.
- **ASQAnet** – ASQAnet is ASQA's core regulatory system, it allows ASQA and their stakeholders (namely RTO's) to handle the streams of work – applications, complaints, enquiries. ASQAnet has transformed ASQA's regulatory processes and provided a greater level of audit reporting.
- **Skills Victoria Training System (SVTS)** – Is a secure database for Victorian Government funded training activity data. It allows training providers to submit their training data to the Department which allows the Government to make necessary payments to providers for their activity and enables the Department to analyse the performance of providers and their programs in general.
- **Victorian State Register** – The Victorian State Register allows the VRQA to manage their processes relating to the management of the organisations under their jurisdiction. The state register supports a number of processes including (but not limited to): accreditation of qualifications and courses, registration of providers and monitoring and review of providers.
- **EPSILON** – EPSILON is VRQA's apprenticeship management system that ensures they're meeting their responsibilities to maintain a register of apprentices and trainees under the applicable legislation. EPSILON enables VRQA to manage apprentices and is designed to manage, store and report on all relevant apprenticeship program data.
- **ATLAS** – ATLAS is South Australia's apprenticeship system. HSD is responsible for the ongoing support, maintenance and enhancement of the system. Like EPSILON, ATLAS is responsible for the management of South Australian apprentices and provides a platform for Government, Employers and Apprentices to manage their progression and information through the process.
- **Other related systems** – Over the last 10 years HSD also developed systems for various agencies, some of which have attained end of life or subsumed in some of the systems above. These are:
 - **VET Student Register** – Victorian Registration and Qualification Authority (VRQA)
 - **VET Training Marketplace** – Victoria's Higher Education and Skills Group
 - **RTO Register** – National Audit and Registration Agency (NARA)
 - **Skills Store Management System** – Victorian Department of Education and Training

It is on the basis of our experience across the VET sector that we provide this submission in response to the *Interim Report of the Review of the National Agreement for Skills and Workforce Development*. We do not have specific comments or observations relating to the Commission's proposed recommendations and options. However changes and improvements to the data, systems and related processes the VET system relies on will be important in ensuring the success of any future reforms and it is here that we are pleased to share our insights and observations.

Timely, accurate data

The Commission's Interim Report makes a number of interim recommendations and proposes various options for the next National Agreement. Irrespective of the final set of recommendations proposed by the Commission, the availability of timely, accurate data (or the lack thereof) is the biggest inhibitor for governments in being able to adequately track the effectiveness of any new programs and policies which may be implemented.

The expansion of the national data collection on VET students and courses, to cover 'Total VET Activity' rather than just government funded activity, has been a useful tool for policymakers and other stakeholders interested in the VET sector. However the three-month time lag between the submission of data and its publication means that government funders, policymakers and regulators are severely inhibited in their ability to identify and action any emerging issues. It should also be noted that while the collection has been expanded from just government-funded students – it still only paints part of the picture of activity in the VET sector, that is the performance of students and RTOs.

States and territories survey government-funded students in an attempt to monitor the satisfaction and outcomes from the training they fund. Some states publish the outcomes of (some) of these surveys. Others do not. The National Centre for Vocational Education Research runs a national Student Outcome Survey which covers both government-funded and fee-for-service students and the differences between those completing full qualifications and 'subject completers' i.e. those who do not complete a full qualification.

To ensure the survey has 'acceptable response rates' it is focussed on providers with 100 or more domestic graduates and/or 850 or more domestic subject completers. This limits the ability for policymakers to gain a more detailed understanding of performance across the sector, as well as the NCVET's ability to publish statistically valid data at the RTO level (with many RTOs not big enough for their students to be included in the survey).

Reporting burden

Reporting has long been a burden on RTOs. One of the key issues is the statistical standard that the data needs to be reported against (the AVETMIS standard). It was first implemented in 1994 and while it has been updated since then with, for example, the addition of new fields; in essence, it remains largely the same tool as when it was first introduced.

An example of how the age of the AVETMIS Standard adds to the reporting burden on providers can be understood when looking at what is now a common course design principle. Historically many VET providers taught one subject (or unit) after another, in a linear fashion (and it should be noted, some providers still do). Today many RTOs "cluster" different groups of units to provide for a richer, more authentic learning experience – by having students learn inter-related skills in one 'block' of learning. Clustering also improves the efficiency of delivery. The consequence for RTOs using a clustering delivery model is that students cannot be assessed as being competent in a particular unit until the entire cluster is completed.

This causes problems when it comes to the different reporting cycles built into the software/used by government funding agencies, as it can appear that enrolled students have not completed the expected units within the requisite period. As a result, providers amend the data in the database so that it 'fits', and in turn reporting and performance data does not reflect what is occurring on the ground in terms of student progression.

Other issues which add to the reporting burden on RTOs include the frequency and format the data needs to be provided in, the differing requirements imposed on an RTO where it has to report to government funding agencies in different jurisdictions (each has their own reporting requirements) and the manual cleansing of the data that needs to occur.

It is our experience that RTOs, especially large RTOs, report having teams dedicated to running the required reports, cleansing and checking data and then manipulating it to meet the required format of the relevant jurisdiction or organisation that they are providing data to. In some cases, RTOs are required to report exactly the same data, but in different formats, to different agencies.

It is our understanding that there is work underway looking at the streamlining of VET data reporting, which aims to eliminate the cyclical reporting periods and potentially move to automatic/nightly updates. However it is also our understanding that there may not be uniform support for this approach across all jurisdictions. Without greater harmonisation and centralisation of the collection and storing of datasets, it is likely that any changes in some jurisdictions to move to automatic/overnight updates will add to the frustration in the sector with regards to reporting.

Data integration

HSD understands that there are projects and programs underway examining the integration of data sets not only within VET itself (i.e. the unique student identifier), but with datasets such as tax records/single touch payroll and ABS/Census data. These types of projects will be useful in determining the longitudinal impact of VET study and the benefits to different learners. However gaps are still likely to remain in assessing the impact and benefit of government-funded training in real time (or near real time).

Data to support student choice

There have been a number of studies examining what drives user choice when it comes to making decisions on VET. While the results vary somewhat depending on an individual's demographics and their reason for study, relevant factors include the geographical location of a training provider (i.e. proximity to the student), fees, timetables and the perceived quality of the provider.¹

In the absence of complete datasets on course price, duration, location, provider performance, timetables and other factors (i.e. facilities) to enable consumers to make informed decisions on the course that is best for them, students typically rely on the advice of their family, friends and peers.²

Access to timely, relevant data will therefore be very important in supporting informed student choices, particularly with respect to the possible introduction of a "voucher" system for VET in the future. A further consideration in relation to a voucher scheme might be the potential lack of data to determine which students have the greatest need for vouchers.

HSD acknowledges the Federal government's efforts to provide more information to prospective students through sites like My Skills (www.myskills.gov.au) and new initiatives like the National Careers Institute. Unfortunately though these initiatives can only utilise the datasets that are currently available, many of which are incomplete.

Apprenticeship data

HSD provides development, support and maintenance services for the apprenticeship systems in two states in Australia. As a result, we have seen first-hand the frustrations in managing apprenticeship data. A key issue is the Federal government's apprenticeship management system (TYIMS). It is a legacy system and unfortunately a recent project to replace it was unsuccessful and had to be shelved.

¹ Brown, J, 2017 *In their own words: student choice in training markets – Victorian examples*, NCVER, Adelaide <https://www.ncver.edu.au/research-and-statistics/publications/all-publications/in-their-words-student-choice-in-training-markets-victorian-examples>

² Hargreaves, J, Osborne, K 2017, *Choosing VET: aspirations, intentions and choice*, NCVER, Adelaide <https://files.eric.ed.gov/fulltext/ED577595.pdf>

TYIMS is the “source of truth” when it comes to the management of both apprenticeship contracts and the financial details associated with apprenticeship incentives. However, there are a number of well documented issues surrounding data accuracy, availability and system documentation with the TYIMS system.

HSD is aware that the Department of Education, Skills and Employment has commenced a new project to replace TYIMS. We consider that conservatively a new system is still at least 18 months away. Whilst there are other mechanisms in place to collect apprenticeship data, such as state and territory systems and the NCVET’s Apprentices and Trainee collection, the lack of a centralised source of apprenticeship data will continue to impact the Federal government’s ability to effectively track the performance of the apprenticeship system until TYIMS is replaced.

Training packages data

HSD manages the training.gov.au (TGA) website (the national database on VET content). This includes the Training Package Content Management System (TPCMS). The TPCMS manages all of the data and content associated with national training packages and publishes them to TGA. It includes the details on ~1,400 qualifications and almost 16,800 of units of competency.

Since the system went live in 2011, HSD has worked with the Federal government to manage the changes in the authorising environment (as responsibility shifted from Industry Skills Councils to the Skills Service Organisations, the establishment of the Australian Industry Skills Committee and the Industry Reference Committees).

We note the Commission’s recommendation to improve the timeliness of changes to Training Packages by providing more authority to IRCs, as well as the introduction of the new Skills Organisation pilots in Digital Technology, Human Services and Mining. Both of these are likely to require further changes within the TPCMS.

We also note that one of the criticisms of the former ISCs was the frequency of change to training packages, which impacted directly on the training practices and processes of RTOs. The current arrangements (under the AISC) attempted to resolve this by scheduling changes to training packages. Unfortunately this process has now drawn criticism due to the lack of responsiveness and currency of training package content. Governments will need to find the balance between responsiveness to industry and training providers’ abilities to accommodate training package changes. It should be noted that there are also industries where change has been slower, for example, the Construction, Plumbing and Services Training Package (CPC08) and the Electro-technology Training Package (UEE11), are still to be transitioned to the new standards.

HSD is proud of the role it has played in the past two decades in the VET sector. We have helped governments to provide funding for skills development, implemented and maintained the national database, supported VET regulators, and assisted the apprenticeship sector. We look forward to continuing that work in the decade ahead.

I trust that our observations are useful to the Commission as it prepares its Final Report and recommendations on the next VET funding agreement. Strong, timely data collection and reporting systems will be crucial in determining the success of future reform of the VET sector.

I would be pleased to discuss this submission with you further should the Review team have any questions.

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