

13 April 2012

The Secretary
Senate Economics Committee
PO Box 6100, SG. 64
Parliament House
Canberra ACT 2600

Via email: economics.sen@aph.gov.au

Dear Secretary,

Inquiry into the National Vocational Education and Training Regulator (Charges) Bill 2012

Established in 1992, The Australian Council for Private Education and Training (ACPET) is the national industry association for private providers of post-compulsory education and training. ACPET has over 1,100 members nationally delivering a full range of higher education and vocational education and training (VET) including apprenticeship, traineeships and English language courses across all Australian States and Territories.

ACPET welcomes the invitation to make a submission to this inquiry into the National Vocational Education and Training Regulator (Charges) Bill 2012 (the Bill). ACPET takes this opportunity to raise with the Senate Economics Committee concerns that we have with the Bill's proposal that audits for all registered training organisations be undertaken on a cost recovery basis.

Section 7 of the Bill states:

If the National VET Regulator conducts a compliance audit of an NVR registered training organisation's operations, a charge is payable for:

- (a) the costs and expenses incurred by the Regulator in conducting the audit; and
- (b) if the audit is conducted outside Australia in whole or in part—any reasonable expenses incurred by the Regulator relating to the audit or part of the audit.

ACPET would like the Senate Economics Committee to consider whether the legislation envisages that 'conducting' an audit includes travel costs and other expenses associated with travelling to the physical location of the RTO. If this is the case then conducting an audit in remote or regional Australia will be significantly more expensive than audits conducted in capital cities. As such the case for a cost recovery model seems to be grossly unfair on regional and rural communities and the RTOs that operate in these areas.

The Council of Australian Governments (COAG) reform agenda provides specific targets for increasing the skill levels of all Australians. Specific targets include:

- doubling the number of higher qualification completions (diploma and advanced diploma) by 2020
- halving the proportion of Australians aged 20 to 64 years without qualifications by 2020 (training them to Certificate III level and above)

ACPET contends that given the COAG reform agenda specifically relates to Vocational Education and Training that and therefore in line with Finance Circular No. 2005/09 there is further scope for a partial introduction of cost recovery.

The Finance Circular notes:

CR should not be applied where it is not cost effective, where it is inconsistent with government policy objectives or where it would unduly stifle competition or industry innovation.

Accordingly ACPET recommends that the Senate Economics Committee consider introducing amendments to the Bill that ensure that RTOs are not required to pay a higher fee for compliance audits because of costs associated with travelling to their remote location.

Those RTOs that are located offshore will also be subject to significant charges for the conduct of National VET Regulator compliance audits when 'reasonable expenses' are factored in. ACPET is supportive of auditing Australian RTOs delivering accredited qualifications offshore. However it is imperative that ASQA acts with diligence in arranging such audits to minimise the reasonable expenses that the RTO will be required to pay. One way of minimising such fees would be to undertake audits of multiple RTOs in a single overseas trip. ACPET would like to see clearly defined protocols for implementing such a process. This strategy could also be used to minimise the costs of undertaking audits of remote and regional RTOs.

Of great concern to ACPET is the lack of publicly accessible service standards that the National VET Regulator, the Australian Skills Quality Authority, adheres to. Given such service standards either do not exist or are not available for public viewing it is not possible for ACPET to fully understand the level of service and the functions that will be performed by ASQA. Accordingly it is difficult for ACPET to provide definitive support for the Bill. ACPET's position is that we can only support cost recovery if the cost is commensurate with an audit experience that is effective, efficient and takes place in line with industry expectations of best practice.

ACPET would be pleased to meet with the Senate Economics Committee should that be necessary to discuss any issues raised in this letter or in relation to any other issues as they emerge during the Senate Economics Committee deliberations.

Yours sincerely

Claire Field
Chief Executive Officer