AUSTRALIAN CHAMBER OF COMMERCE AND INDUSTRY

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Committee Secretary
Senate Standing Committee on Economics
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Sir/Madam

National Vocational Education and Training Regulator (Charges) Bill 2012

Australia's largest and most representative business organisation, the Australian Chamber of Commerce and Industry (ACCI) has a very active policy agenda in the area of employment, education and training. In that context the proposed passing into legislation of the above bill is of interest to ACCI and its 37 member associations.

ACCI believes that one of the highest priority issues in education and training is quality. In that regard, we remain strongly supportive of the establishment of the National VET Regulator, ASQA. A robust and nationally consistent approach is very important in maximising efficiency and achieving effective outcomes from the vocational training system.

Of relevance to this Bill, I quote from the pre-budget submission for 2012/13 submitted by ACCI earlier this year:

> ACCI supports the establishment of the Australian VET regulator, now known as the Australian Skills Quality Authority. The transitional period has not been without concerns, with delays being experienced by training providers, and with two states still uncommitted to a national system, the outcomes in the medium term will not be ideal.
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> Given that it is essential that the training system delivers quality outcomes, and given the substantial public (federal and state) investment in the system, it is vital that ASQA has the resources it needs to undertake its work in a timely, efficient and effective manner. It should not be a cost recovery body, although it is acknowledged that reasonable fees to providers are an important market mechanism. The 2010/11 Budget allocated ASQA $92.3 million over four years. We would recommend that in 2012/13 at least an additional $6 million (total $21.9m) be allocated and an additional $3 million to 2013/14 (total $23.7m).

Therefore, whilst ACCI supports reasonable fees to training providers as a market mechanism, we do not support the notion that ASQA has to be a cost recovery body. The many billions of dollars invested by State and National governments in the vocational training system deserve a robust

and financially healthy body to effectively regulate the delivery of (in particular in this context) publicly-funded training. The regulatory and audit approach should not be inhibited by a cost recovery model, as to do so could lead to one or both of the following two unsatisfactory outcomes:

- Insufficient monitoring of the quality of training delivery
- Fees, including fees for audit, that are so high as to limit the participation in the training market of small business training companies.

In summary, ACCI is concerned about the principle of full cost recovery that underpins such an important regulatory body. However, we accept that this concern would not present a barrier to passage of the Bill on the basis that the proposed amendment does not, in itself, set the fee, and merely facilitates the charge and enables the Minister to approve of the fees. Therefore, we will continue to take up with the Minister our concerns about the quantum of fees to providers and the total amount of ASQA funding.

ACCI would be pleased to expand on any of the issues raised in this submission, should the Senate Committee require it.

Yours faithfully,

JENNY LAMBERT
Director – Employment, Education and Training