

**Are we all speaking the same language? Understanding ‘quality’ in the VET sector**

**Tabatha Griffin**

National Centre for Vocational Education Research

**Occasional paper**

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This document should be attributed as Griffin, T 2017, *Are we all speaking the same language? Understanding ‘quality’ in the VET sector*, NCVER, Adelaide.

This work has been produced by NCVER on behalf of the Australian Government and state and territory governments, with funding provided through the Australian Government Department of Education and Training.

COVER IMAGE: GETTY IMAGES/iStock

ISBN 130.05

TD/TNC 978-1-925717-05-1

Published by NCVER, ABN 87 007 967 311

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# About the research

Are we all speaking the same language? Understanding ‘quality’ in the VET sector

### Tabatha Griffin, National Centre for Vocational Education Research

Quality in vocational education and training (VET) is a perennial topic of interest, attracting much attention from participants, providers, funders, regulators and public commentators. Quality is as much subjectively in the ‘eye of the beholder’ as it is objectively assessed through hard data, measures and surveys. This paper summarises the quality of the VET system in Australia from the lens point of the eye of the beholder. It considers the perspectives of five key stakeholder groups: learners, employers/industry, providers, government and regulators. The paper explores, from the perspective of each of these groups, what is important in regards to the VET system, what constitutes and promotes a good-quality VET system, and what are the enablers and barriers to having a system that meets their expectations. The paper then examines the usefulness of the measures of quality currently available, as well as approaches that might be more effective.

Key messages

* Quality is context- and purpose-specific and means different things to the five stakeholder groups. For students it is obtaining skills to get a job, or a better job; for employers it is staff with workplace skills;   
  for providers it is optimal outcomes for all clients, along with provider reputation and viability; and for regulators it is all providers meeting and exceeding national standards. The common ground for all, including for governments and funders, is that learners are provided with the skills they are training for.
* These multiple perspectives on quality operate at differing levels — at the training program, at employment outcomes and at higher systemic levels. This makes explaining and measuring quality deceptively difficult: it does not simply involve interpretation of data and measures to produce widely available and understood market intelligence. Based on experience and perception, quality is also highly subjective and either drives or erodes reputation and overall trust, at all levels.
* Effective, fair and prompt regulation is foundational and essential in removing poor quality training from the system. The advice to emerge from the present review of the *National Vocational Education and Training Regulator Act 2011* is expected to strengthen this essential cornerstone of VET quality.
* A number of enabling factors have the potential to either support or detract from VET quality. These factors may impact both objective measures and subjective views of quality. Such factors include:
* integrity and quality of course assessments
* professional qualifications and experience of trainers
* clear, trusted and relevant-to-purpose information with ease of access for all VET stakeholders
* quality and frequency of VET data collection, to allow pertinent systems and performance information to be published closer to real time, thus increasing its value
* the complexity of VET market structures, in both providers and training products, which, at a systems level, has the capacity to risk informational, operational and administrative overburden.

A companion piece to this paper, *Factors that drive RTO performance: an overview,* is available at <https://www.ncver.edu.au>. It reviews the substantial work on performance indicators and drivers of registered training organisation performance and suggests areas where future research might be focused.

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# Introduction

In a general sense, the word ‘quality’ probably means the same thing to most people; for example, it tends to suggest some level of excellence. In discussions about the Australian vocational education and training (VET) system the concept of ‘quality’ is often raised, although this is not a new phenomenon. Quality in Australian VET was the subject of a Senate inquiry in 2000, while in 2003 the National Centre for Vocational Education Research (NCVER) published a report by Blom and Meyers on quality in VET, citing many studies from the 1990s and early 2000s. Despite this history, discussion about quality in the sector has reached a fever pitch in recent years, primarily as a reaction to the reputational harm caused by the recent behaviour of a small minority of poor-quality training providers. Given this increased interest in quality, it is timely to step back a little and reflect on what is meant by ‘quality’ when we talk about the VET system.

The concept of quality in VET may vary for different stakeholder groups and the people within them.

What is considered quality in VET may vary for different stakeholder groups and the people within them. The differences may be subtle and are likely to reflect the goals that each stakeholder has when engaging with the system. It is therefore useful to think about what quality means from the perspectives of these various stakeholder groups: learners, industry/employers; providers; government; and regulators (figure 1). Once the notion of quality has been identified for each of these groups, we can begin to consider if and how it has been measured, and how these processes might be improved.

Figure 1 Five stakeholder groups with a view of ‘quality’ in the VET sector

**Learners**

Students/employees

**Providers**

Public/private  
Profit/non-profit

**Regulators**

Statutory and related bodies

**Employers/  
industry**

Business owners   
and managers

**Government**

as public funders  
and policy setters

?

Quality

## Quality relates to purpose

Differences in the definition of quality are likely to be related to purpose.

There are two approaches to understanding quality in VET: meeting a minimum standard, or being excellent (by comparison with others, or well above minimum). The first is a regulated measure, while the latter is relative.

One way of raising quality is by identifying and improving poor-quality VET provision, a role established for the national regulator, the Australian Skills Quality Authority (ASQA). While the purpose of ASQA is to promote quality training in the VET sector, this is achieved by implementing processes for managing risks to quality, with a focus on identifying and acting on poor quality which is below minimum standards. This does not necessarily mean that the remainder of the VET system is of high quality; it simply suggests it not falling below the threshold that warrants action by the regulator.

A second approach to raising quality is through more of a continuous improvement approach, with benefits achieved through a competitive excellence model and a reliance on understanding the various elements comprising a quality VET system. This approach aligns more closely with the second concept of quality described above — aiming to be superior or excellent.

Several reports have argued that stakeholders need to arrive at a consensus on what constitutes quality in VET (Grubb 2006; European Training Foundation 2014). Before consensus can be reached, however, an understanding of the different stakeholder views on quality is required. While there may be much overlap, there will be some subtle differences in how each group defines quality.

These differences in definition are likely to be related to purpose and how each group interacts with the system. In their work on the higher education sector, Probert (2015) suggested that quality cannot be defined or measured without reference to purpose, noting that a range of views about the purpose of the higher education system abounds. This can also be said for the VET sector, which presents an even broader array of purposes with importance and value that vary for different stakeholder groups. Context is also a factor. Some VET providers work in regions or with relatively less prepared or motivated clients, where other definitions and measures of quality may apply.

Thinking about how to define and measure quality is not new. Blom and Meyers’ work (2003) documented international approaches to defining, understanding and measuring quality in VET systems. They suggest that the concept of quality is multifaceted and that its meaning, in the VET environment, is open to argument and negotiation. Furthermore, they argue that the perception of a quality (or effective) VET system can vary from one stakeholder group to another, according to the interests of the particular group. Hence, stakeholder expectations need to be considered when thinking about the quality of the VET system.

This multifaceted approach to defining the quality of VET was demonstrated more recently by Mackenzie (2015), who argued that ‘quality’ has many different definitions.

For the purpose of Mackenzie’s discussion, *TAFE the quality benchmark*, quality VET was defined as having the following dimensions:

That the users (students, employers, government, community) perceive that the:

* Qualifications issued meet the prescribed standard.
* A graduate is capable of performing a range of activities to a certain level.
* System is safeguarding its standards (quality assurance).
* Learning experience aligns with expectations. (Mackenzie 2015, p.106)

It is worth noting that these dimensions are interdependent.

Another element requiring consideration in defining quality is the relative focus of interest. For example, it is possible to talk about the quality of the system, a provider, or a course or qualification. In this way of thinking about quality, a distinction can be made between *quality VET* and a *quality VET system*. The latter is required to consistently deliver the former in a way that maintains the confidence of all stakeholders. Nevertheless, understanding from the outset what constitutes quality VET is critical.

A ‘one size fits all’ definition or approach to measuring quality may not be helpful.

In their paper on performance indicators, Karmel et al. (2013) explained that measuring performance in VET had largely been considered at the system level. However, there had been, and continues to be, a shift in interest towards measuring performance at the registered training organisation (RTO) level. This aligns with the concepts outlined above, that quality can be considered, and measured, at different levels in the system.

Perceptions and views on quality are then driven by context and purpose, meaning that a ‘one size fits all’ approach to defining or measuring quality may not be helpful.

## Aim

This research seeks to examine the factors that underpin the quality of the VET system in Australia from the perspectives of five key stakeholder groups: learners; industry/employers; providers; government; and regulators. It does this by looking at the elements that drive the behaviours and actions of these groups while referring constantly to the context and purpose of each stakeholder group.

It should be noted that this paper is not an encyclopaedia of quality in VET — it does not attempt to cover every element of the VET system where notions of quality could apply. Additionally, this paper is not attempting to make definitive statements about what *makes* a quality VET system. Rather, it is an attempt to understand what is *meant* by quality from the perspectives of the five groups described above and how that might be measured.

## Research questions

Through a search and synthesis of the literature and other available sources, this research sought to answer the following research questions:

* What in the VET system is important to each of these stakeholder groups?
* From their perspective, what makes a good-quality VET system?
* What are the enablers of, and barriers to, a system that meets the expectations of each stakeholder group?
* How effective and/or useful are any currently available measures of quality? What approaches might be better?

## A note about definitions

### Quality and satisfaction

Many of the existing measures identified in the research and discussed throughout this paper are measures of satisfaction. It should not be assumed that satisfaction equates to quality. A person might be satisfied with something that is not of the highest quality if it meets their needs; conversely, they might not be satisfied with something that is of high quality. This subjectivity of quality and satisfaction adds to the difficulty in defining each concept. Despite this, measures of satisfaction are considered in this paper, given the absence in many instances of other metrics of quality.

### Measures and indicators

Terms such as ‘measures’ and ‘indicators’ are often used interchangeably, although the meaning of each can differ. In the context of this paper, a measure refers to a specific measurement of an item or a phenomenon, usually using survey or administrative data. An example might be the proportion of students employed after training, or the proportion of graduates satisfied with the quality of their training. In contrast, an indicator can be defined as a mechanism for signifying the level or state of the item or phenomenon and might be based on one or more measures. A hypothetical example of an indicator for student satisfaction might be one derived using a number of measures, such as the proportion of students satisfied with the overall quality of the training, the proportion satisfied with the teaching and assessment, and the proportion who would recommend the training provider. An indicator might be presented in a numerical form, or might be visually presented, such as by using a ‘traffic light system’ where the colours green, amber and red are used to indicate the level of the measure (see Karmel et al. 2013 for further discussion about indicators).

# Learners

## What in the VET system is important to learners?

In an attempt to identify what is important to learners with regard to the VET system, this section considers the reasons why learners engage with this system. At a high level, learners may be concerned about the quality of VET at the system level, although this concern might be indirect. The status of VET, particularly relative to higher education,  
is a possible consideration for learners. However, this assumes some relationship between status and quality. It is also complicated by perceptions of the status and quality of the jobs resulting from training in the two different sectors.

The perspective of learners lies at the course and provider level – where decision making occurs.

At a practical level the perspective of learners lies at the course and provider level, as this is where their decision-making occurs once they have decided to undertake VET (Brown 2017). Their decision-making and choice relates to personal and practical issues, such as travel, course details, costs, whether it fits with work or other commitments   
(EY Sweeney 2017; Brown 2017).

Mackenzie (2015, p.106 ) states that:

The VET system is designed with the student at the centre of the system so their choice of course and provider is crucial to the sector. In theory students are attracted to quality training, fuelled by competition between providers to deliver training that leads to new or better employment or other positive outcomes.

This indicates that improved employment and other positive outcomes from training are important elements to students in their decisions on which course and provider will attract their enrolment. This is supported by the NCVER National Student Outcomes Survey (SOS) which splits the reasons for enrolling in a VET course into three broad categories: employment related; further study; and personal development (table 1).

Table 1 Main reason for undertaking training, by provider type for total VET graduates, 2016 (%)

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | | Provider type | | | | | | | | | |
| TAFE | | University | | Community education provider | | Private training provider | | All graduates | |
| Employment related | | 80.7 | | 70.9 | | 81.9 | | 86.3 | | 84.0 | |
|  | Get a job | | 26.6 | | 24.3 | | 27.2 | | 21.9 | | 23.6 | |
|  | To develop or start my own business | | 6.2 | | 5.2 | | 8.5 | | 7.2 | | 6.9 | |
|  | Try for a different career | | 12.6 | | 8.2 | | 11.9 | | 10.5 | | 11.1 | |
|  | Get a better job or promotion | | 7.1 | | 6.7 | | 4.7 | | 7.6 | | 7.3 | |
|  | It was a requirement of my job | | 12.7 | | 11.3 | | 11.2 | | 18.0 | | 15.9 | |
|  | Gain extra skills for current job | | 15.5 | | 15.1 | | 18.3 | | 21.2 | | 19.2 | |
| Further study: to get into another course of study | | 6.3 | | 16.1 | | 2.4 | | 2.0 | | 3.8 | |
| Personal development | | 13.0 | | 13.1 | | 15.7 | | 11.6 | | 12.3 | |
|  | To improve my general education skills | | 9.1 | | 10.3 | | 9.1 | | 8.3 | | 8.6 | |
|  | To get skills for community/voluntary work | | 1.5 | | 1.6 | | 4.0 | | 1.4 | | 1.5 | |
|  | To increase my confidence/self-esteem | | 1.7 | | 0.8 | | 2.3 | | 1.5 | | 1.6 | |
|  | For recreational reasons | | 0.7 | | 0.3 | | np | | 0.3 | | 0.4 | |
|  | Other | | 0.1 | | np | | 0.2 | | 0.2 | | 0.2 | |

Notes: Np Not published. NCVER does not report on estimates based on five or fewer respondents because the estimates are unreliable.

Source: NCVER (2016a).

Table 1 demonstrates that a large majority of learners enrol for employment-related reasons (84% of all graduates). Irrespective of the employment-related reason (for example, whether it is to get a job or gain extra skills for a current job), ultimately the learner needs to be confident that the course quality (and the RTO quality) will enable them to acquire the skills required.

The survey shows that the other two categories of reasons for training — to get into another course of study or for personal development — are less commonly cited as the main reason for training (yet they may also be important for learners who are training for mostly employment-related reasons).

Apprentices can be considered as a special case, in that their training occurs both on and off the job. Unsurprisingly, a high proportion of apprentices and trainees undertake training for employment-related reasons compared with those whose training was not part of an apprenticeship or traineeship (table 2).

Table 2 Main reason for training, for government-funded graduates, by apprenticeship/ traineeship status, 2016

|  |  |  |  |
| --- | --- | --- | --- |
| Main reason for undertaking training | Total | Training was part of an apprenticeship or traineeship | Training was not part of an apprenticeship or traineeship |
| Employment related | 82.1 | 88.2 | 80.1 |
| Further study | 5.6 | 2.8 | 6.5 |
| Personal development | 12.3 | 9.0 | 13.4 |

Source: NCVER (2016b).

## From the learner’s perspective, what makes a good-quality VET system?

Above we identified some issues that are important to learners, but how does this translate into a broader perception of a good-quality VET system?

There is little direct evidence in the published literature that explicitly describes learners’ views on what represents a good-quality VET system to them. In fact, the Australian Skills Quality Authority suggests that learners cannot be expected to fully understand what constitutes quality in the sector (ASQA 2015a).

Attempts to understand whether students are satisfied with the quality of their training do not provide much clarity around what quality VET might represent for students. The National Student Outcomes Survey, for example, asks students if they were satisfied with the overall quality of their training. Table 3 shows that a high proportion of students were. However, there is no opportunity for students to explain the *basis* of their assessment of quality. Students are also asked to rate their satisfaction with various aspects of their training, such as the quality of the instructors and assessment, as well as the problem-solving skills and written skills acquired. But again, there is no opportunity for the students to indicate the importance of each of these aspects in making a good-quality VET system.

Table 3 Student satisfaction with the overall quality of their training, 2016

|  |  |
| --- | --- |
| Main reason for undertaking training | Satisfied with the overall quality of the training (%) |
| Employment related | 85.9 |
| Further study | 87.2 |
| Personal development | 86.9 |

Source: NCVER (2016a).

In the absence of this direct evidence, one way of examining what makes a good-quality VET system from the learner’s perspective is to assume it would be a system (or course or provider) in which the main purpose for training had been met. If this assumption were true, then the reasonably high proportion of graduates reporting that their main reason for training had been met (table 4) would suggest that, from the learners’ perspective, the VET system is of high quality. However, a number of issues arise with this assumption. At worst, the student outcomes survey provides only a partial picture, given that it does not include students who did not complete their training[[1]](#footnote-1) (a proportion of which may not have achieved their main reason for training). At best, this could misleadingly suggest that the VET system is of high quality from the learners’ perspective, despite its being simply adequate.

While learners may not fully understand quality in the VET sector, they need to be able to make informed decisions.

Table 4 Student achievement of main reason for training, 2016

|  |  |
| --- | --- |
| Main reason for undertaking training | Fully or partly achieved their main reason for doing the training (%) |
| Employment related | 81.6 |
| Further study | 90.9 |
| Personal development | 91.4 |

Source: NCVER (2016a).

In summary, there is no large direct evidence base on which to make definitive conclusions about what makes a good-quality VET system from the learners’ perspective; rather, there is a large body of indirect information.

## What are the enablers of, and barriers to, a system that meets the expectations of learners?

Adopting the perspective of learners, ASQA argues that, while they may not fully understand all perspectives of what constitutes quality in VET, learners must be able to make informed choices about training *to best meet their needs*. Learners need to have confidence that, irrespective of what provider they choose, they will receive quality training and assessment which is responsive to industry needs and to their needs (ASQA 2015a). Complex and confusing information about courses and providers is a barrier to students being able to make this assessment. The VET information landscape is complicated and could be overwhelming, a context compounded by inconsistencies and questions over the credibility of sources (EY Sweeney 2017). The My Skills website, a federal government initiative, aims to overcome this barrier by enabling consumers   
to search for, and compare, VET courses and training providers (<http://[www.myskills.gov.au](http://www.myskills.gov.au)>).

Individual jurisdictions have also made significant efforts to provide learners with information about training options. For example, the Queensland Skills Gateway, the Victorian Skills Gateway and the VET NSW websites allow users to search and browse information on, for example, occupations, courses, training providers, government funding and career pathways. Some include questionnaires to help users to navigate their VET journey and to determine their eligibility for government-subsidised training. Despite the efforts in developing and offering these information sources, recent research suggests that student awareness of government websites such as My Skills could be improved (Brown 2017; EY Sweeney 2017).

To further develop a picture of enablers and barriers to a system that meets the expectations of learners, it is perhaps useful to look at what students suggest as possible improvements to their training. Misko and Priest (2009) examined the qualitative responses to the 2006 National Student Outcomes Survey question asking students for suggested improvements for the training they had completed. Table 5 shows the eight categories into which the suggestions fit. The three categories with the greatest percentage of suggestions involved improvements in: course relevance and design; staff attributes and behaviours; and teaching and learning practices.

**Table 5 Student suggestions for improvement**

|  |  |
| --- | --- |
| Category of suggestions | % of respondents (n = 1254)1 |
| Improving course relevance and design | 41 |
| Improving staff attributes and behaviours | 27 |
| Improving teaching and learning practices | 25 |
| Improving access to courses, facilities and services | 16 |
| Improving assessment practices | 14 |
| Improving learning resources, equipment and materials | 9 |
| Improving initial information provision | 6 |
| Improving administration and learning support services | 7 |
| Other | 1 |

Note: Percentages will total more than 100% as students were able make multiple suggestions.

1 Sample n is based on a random sample of students who provided one or more verbatim   
suggestions that directly indicated how processes or outcomes could be improved.

Source: NCVER National Student Outcomes Survey 2006 in Misko and Priest (2009).

Perhaps unsurprisingly, we can conclude that course content and teaching staff seem very important to learners. While the sector has seen much change since 2006, potentially altering the focus of some learners, it is probable that relevant and   
well-designed course content and capable teaching staff are still considered by students to be enablers to a quality system.

## How effective and useful to learners are any currently available measures of quality? What might be better?

In determining the usefulness of existing measures of quality, thinking about the decisions that learners need to make may prove fruitful. The decisions learners are faced

with, either before or during training, include (but are not limited to):

* what course to enrol in
* what provider to enrol with
* whether to complete a whole qualification or just one or more modules/subjects
* whether to complete the training or withdraw.

These decisions will be made in the light of the perceived benefits of training versus the time, effort and personal costs involved. If the learner is already employed, some of these decisions may be made by the learner’s employer.

As discussed above, the complex array of information sources can be difficult for learners to navigate, especially for those who are inexperienced with the VET sector  
(EY Sweeney 2017). Research on how learners choose courses and RTOs suggests that they focus more on practical details such as location, study mode, duration and cost than on factors that might be more reflective of quality, such as RTO performance and reputation, or student and employer feedback (table 6).

Table 6 Information types considered useful when choosing a VET course and RTO

|  |  |
| --- | --- |
| Type of information | % |
| Course details such as study mode, location, duration | 84 |
| Course price | 76 |
| RTO performance such as reputation, compliance history | 53 |
| Course indicators such as student and employer feedback | 40 |

Source: EY Sweeney (2017).

Employing the use of a number of focus groups with students at three RTOs in Victoria, Brown (2017) categorised into three domains a core set of influential factors that were important to students in selecting a course and provider:

* information on the training program (the course details)
* information on fees
* information on training and employment outcomes to address concerns about quality and the benefits of enrolling in a VET course with a particular RTO.

Finding this information is not easy as it can be located in various places. Some students also question the reliability of information that is not from an independent source. Again, the main types of information used to select courses generally related to location, cost and timing.

The lesser reliance on quality-related information such as RTO performance and indicators such as student and employer feedback is possibly attributable to the relative lack of availability of these types of data. Another real issue is that many quality-related measures are only presented as highly aggregated system-level statistics (Brown 2017). They may be presented at a qualification level but they are not available for specific courses at specific providers and, hence, not useful for students who are choosing between more than one course or provider.

To illustrate this we can consider some of the relevant metrics available from the National Student Outcomes Survey (box 1). These measures are available by qualification level, field of education, apprenticeship/traineeship status, funding source and provider type (NCVER 2016a). Some of these are presented on the My Skills website, along with other details for each qualification, such as cost and duration. While this allows a potential student to choose their preferred qualification, it does not provide the information at the RTO level, and hence students are not able to judge the quality of a course at a particular provider. However, efforts are being made to improve this. For example, the Department of Education and Training recently issued a request for a quotation for the development of student satisfaction indicators for the My Skills website; the quote is also to include consideration of how data collection could be improved to support the publication of student satisfaction information for all courses and RTOs (Australian Department of Education and Training 2017a).

The lack of measures or indicators of quality at the course and provider level is a real gap.

Box 1 Measures from the National Student Outcomes Survey relevant to quality

|  |  |
| --- | --- |
| The National Student Outcomes Survey is a national survey conducted annually, collecting information from VET students who completed their training in the previous year. Some of the data it collects are relevant to quality, including: | |
| * achievement of main reason for training * employment after training * improvement in employment after training * employed at higher skill level * improved employment status after training * enrolment in further study after training | * training relevant to current job * received at least one job-related benefit * satisfaction with the overall quality of training * satisfaction with the quality of the instructors * personal benefits received through undertaking the training * earnings after training |

Source: NCVER (2016a).

The student survey for the Victorian Training Organisation Performance Indicator Project also provides some relevant measures that could be of use to learners if they were accessible at the provider level. The measures include satisfaction with the skills that the training provided, satisfaction with various aspects of the trainers and the assessment, and the likelihood that the student would recommend the course or training organisation to other students (Victorian Department of Education and Training 2017b). However, these are again not presented at a level that is useful in aiding student choice.

As part of its new student-centred audit approach, ASQA is seeking greater input from current and former students of training providers, including through interviews and surveys (ASQA 2015b). The ASQA student survey covers the student experience at the provider level, but it is not currently planned for these data to be made publicly available. It is another example of potentially useful information for students that could supplement the information collected through the National Student Outcomes Survey.

The lack of measures and/or indicators of quality at the course and provider level appears to be a real gap. Discussion on these types of RTO-level performance indicators is not new. In a report for the Victorian Department of Education and Training, it was recommended:

that consumer choice be aided by making public consistent, accessible and comparable performance indicators about RTOs, including performance against quality indicators, employment outcomes, completion rates, consumer satisfaction results and completed and agreed audit results. (Deloitte Touche Tohmatsu 2015, p.14)

This increased interest in provider-level performance indicators is discussed by Karmel et al. (2013), where their usefulness in informing student choice is noted. So, given the widespread acknowledgment of the potential usefulness of provider-level performance indicators, why have they not been more widely implemented? As Karmel et al. (2013) note, the development and use of such indicators is hindered by considerable technical issues, some of which include:

* Large providers (especially TAFE [technical and further education] institutes) are often multidisciplinary and multi-campus. Institute performance indicators may hide significant internal variance between disciplinary areas or campuses.
* Indicators calculated at a lower level of aggregation will be based on smaller numbers of observations, introducing issues of statistical reliability.
* There is a need to ensure that indicators are able to discriminate (for example, they need to show the variation between providers).
* It is necessary to ensure that indicators are not open to manipulation by providers.
* Understanding the extent to which indicators are influenced by factors other than the trait which the indicator is designed to capture is an important issue; for example, specialist providers aimed at disadvantaged learners may have poor employment outcomes simply because of the characteristics of their student body.

The market structure of the VET system and the variance in provider size, as shown by Korbel and Misko (2016), exacerbate these issues. Around 40% of providers are very small and have fewer than 100 students, meaning it would be very difficult to calculate and publish reliable statistics for these providers.

Karmel et al. (2013) go on to say that, in relation to publishing provider-level indicators, the VET sector is playing catch-up to the higher education and school sectors. The higher education sector has published university-level indicators since the early 1990s and the schools sector publishes school-level data on the My School website.

There is certainly interest in creating a similar product for the VET sector. The November 2016 communiqué from the COAG Industry and Skills Council expresses agreement for ‘the Performance Information for VET (PIVET) concept and a high level roadmap to transform the data available to consumers, governments and regulators … through the creation of a RTO Performance Dashboard for consumers’ (COAG Industry and Skills Council 2016). This culminated in the recent request for a quotation for the development of student satisfaction indicators for the My Skills website by the Australian Department of Education and Training (2017a).

Perhaps, to allow for the various elements on which VET can be measured, a multidimensional rating system would be ideal. However, measures to overcome the challenges mentioned above would need to be implemented, including provision to ensure that specialist providers are being judged alongside similar specialist providers.

# Employers/industry

## What in the VET system is important to employers?

In making some assessment of the issues in the VET system important to employers, it is useful to look at the different ways they might interact with the system. There are three main touch points with the VET system for employers:

* hiring a new employee (who has trained in the VET system)

Employers and industry interact with the VET system in a multitude of ways, adding complexity to the concept of quality.

* training their existing employees
* influencing how training is conducted, either through engagement with an RTO or via involvement with training package development.

The first two of these interactions are similar, in that they are both concerned with skill development in prospective or existing employees. The main point of difference between the two is that the employer potentially has more say in the training of existing workers, especially if the employer is paying for the training.

The Survey of Employers’ Use and Views (NCVER 2017) helps to paint a picture of the various ways by which employers engage with the VET sector and which align with the first two touch points (table 7). The 2017 survey shows that almost 55% of employers use the VET system through: offering jobs that require vocational qualifications; employing apprentices or trainees; or using nationally recognised training. Unaccredited and informal training were also used extensively by employers.

Table 7 Training used by employers

|  |  |
| --- | --- |
| Training choices | 2017 |
| Employers using the VET system (Base: all employers): | 54.4 |
| With jobs that require vocational qualifications | 37.2 |
| With apprentices and trainees | 23.5 |
| Using nationally recognised training1 | 22.4 |
| Employers using unaccredited training | 50.8 |
| Employers using informal training | 81.4 |
| Employers providing no training | 8.7 |

Note: 1 Nationally recognised training is defined as nationally recognised training that is not part of an apprenticeship or traineeship. For the purposes of this survey, employers with apprenticeships and traineeships are reported separately.

Source: NCVER (2017).

When referring to nationally recognised training and unaccredited training, the main reason employers gave for using the VET system was to provide the skills for the job (table 8). Also reported to a high degree were legislative, regulatory or licensing requirements and to meet and maintain professional/industry standards. These can probably be considered a reflection of the necessity for specific skills for a job, especially in regard to the safe practice of tasks. While these were the most commonly reported purposes of training, the data show, unsurprisingly, that employers use the VET system for a variety of reasons.

Table 8 Reasons for using the VET system by type of training in 2017 (%)

|  |  |  |
| --- | --- | --- |
| Reasons for using nationally recognised training1 (Base: all employers using nationally recognised training) | | 2017 |
| To provide the skills required for the job | 47.0 | |
| Legislative, regulatory or licensing requirements | 34.6 | |
| To meet and maintain professional/industry standards | 26.3 | |
| Staff career development | 25.5 | |
| To improve the quality of goods and services provided | 12.3 | |
| Formalise qualifications and skills | 8.9 | |
| To develop and maintain a flexible and responsive workforce | 6.1 | |
| To remain competitive | 2.8\* | |
| To improve staff morale and retention | 1.9\* | |
| In response to new technology | np | |
| Other reasons | 3.2\* | |
| Reasons for using unaccredited training(Base: all employers using unaccredited training) | | **2017** |
| To provide the skills required for the job | | 54.4 |
| To meet and maintain professional/industry standards | | 30.8 |
| To meet highly specific training needs | | 22.0 |
| To improve the quality of goods and services provided | | 15.7 |
| Legislative, regulatory or licensing requirements | | 16.4 |
| To develop and maintain a flexible and responsive workforce | | 14.2 |
| In response to new technology | | 12.2 |
| To remain competitive | | 2.8 |
| Staff career development | | 2.5 |
| Other reasons | | 5.9 |

Notes: 1 Nationally recognised training is defined as nationally recognised training that is not part of an apprenticeship or traineeship. For the purposes of this survey, employers with apprenticeships and traineeships are reported separately.

Np Not published. NCVER does not report on estimates based on five or fewer respondents because the estimates are unreliable.

\* The estimate has a relative standard error equal to or greater than 25% and should be used with caution.

Source: NCVER (2017).

With regard to the third employer touch point — influencing how training is conducted, either through engagement with an RTO or via involvement with training package development — employer and broader industry involvement in the latter currently occurs through the relevant industry reference committees, either through direct membership or via stakeholder consultation. Overseen by the Australian Industry and Skills Committee (AISC), the current model for training package development and maintenance aims ‘to ensure training packages address the needs and concerns of employers, employees, those who provide training and those seeking its benefits’ (Australian Industry and Skills Committee 2017). For those employers who want the opportunity to influence the training system, this mechanism may be important.

In addition to industry or employer involvement in training package development, a theme emerging from a symposium on training products reform was that employers also need to be involved in the implementation of training products and assessment (Beddie, Hargreaves & Atkinson 2017).

Direct partnerships between employers and RTOs is another means by which employers may have influence over how training is conducted. While these partnerships are usually created with the aim of training employees, the benefits accruing to RTOs and practitioners, such as improved industry currency and extra capability within staff (Smith et al. 2017), can spill over into training more broadly. A recent survey of 173 employers showed that just over 45% had an arrangement with an external RTO to provide nationally recognised training (Smith et al. 2017).

It is important to note that employers are not a homogenous group — training practices can vary across industries and among firms in the same industry and can also vary due to other characteristics of the business, such as firm size (Shah 2017). However, there are some similarities. In summary, ensuring that staff (future or current) have the skills required for their job and ensuring that a business can address its legislative, regulatory or licensing requirements are of high importance to employers.

## From the employer’s perspective, what makes a good-quality VET system?

In an attempt to answer this question from the perspective of employers, it is useful to revisit the three ways they interact with the system in the light of the two main reasons for engaging with the system (to provide skills for the job and for legislative, regulatory or licensing requirements).

### Hiring a new employee

The first touch point was hiring a new employee with a VET qualification. In this case, it seems a fair assumption that an employer would judge that the VET system was of high quality if the new employee was ‘work-ready’ and possessed the skills for which they had been accredited. This view is supported by the Productivity Commission (2011), which states: ‘In practice, employers expect the VET sector and its workforce to deliver relevant high-quality education and training, leading to competent and work-ready employees’ (p.101). This may also include the delivery of broader employability skills[[2]](#footnote-2) and foundation skills (Productivity Commission 2011). The Organisation for Economic   
Co-operation and Development (OECD; 2013) supports this by stating that, in addition to occupation-specific skills, workers in the twenty-first century require a stock of other skills including: literacy and numeracy; problem-solving; communication; self-management; and the ability to learn. In their study of online job advertisements in the United States, Burning Glass Technologies (2015) showed that employers are, indeed, demanding that job applicants have a broad range of these foundation skills. In Australia, NCVER is currently investigating occupational skills frameworks and international trends, as well as job-specific skills, as expressed in online job vacancies, including the mix and nature of technical, transferable and soft skills (NCVER forthcoming).

The Business Council of Australia (2016) believes that, ultimately, graduates have to take responsibility for ensuring they possess the necessary values, behaviours and skills required to be work-ready. However, the council has suggested that, in addition to ensuring that students achieve the competencies outlined in training packages, the VET system has a role to play in reinforcing the values that employers are looking for, which can include the expected work behaviours in learning, social and sport environments. Employers are therefore likely to view a quality VET system as one that produces well-rounded graduates — those who have the technical skills required for their job, as well as the soft skills necessary for successful employment.

To gain insight into the employers’ perspective on VET, we can look at the Survey of Employer Use and Views to investigate whether or not employers with jobs that require VET qualifications are satisfied with the VET system. While it might be argued that this is not necessarily a measure of quality (as satisfaction does not necessarily equate to quality, as argued in the introduction), the survey data show that in 2017, 75.4% of employers were satisfied; 11.7% were neither satisfied nor dissatisfied; and 12.8% were dissatisfied (NCVER 2017). Looking at the reasons why some of those employers were dissatisfied can help us to formulate some thoughts about what employers might think is good quality in VET. Table 9 shows that the three most commonly provided reasons for dissatisfaction with VET (when vocational qualifications are a job requirement) are:

Poor quality training has been raised as an issue, but with little explanation of what that actually means.

* training is of a poor quality or low standard (41.8%)
* relevant skills are not taught (41.3%)
* there is not enough focus on practical skills (28.6%) (NCVER 2017).

There are two points to make about these reasons. Firstly, two of them are concerned with skills development — aligning strongly with one of the main reasons employers engage with the system. Secondly, poor quality is raised as an issue, but as this paper argues, we do not necessarily understand what employers are referring to. Given that two of the three highest rated reasons align with the main reasons for employers using the VET system, it does support the notion that, for employers, successful skill development is likely to be an indicator of a high-quality VET system.

Table 9 Reasons for dissatisfaction with vocational qualifications as a job requirement  
(% of dissatisfied employers with jobs requiring a vocational qualification)

|  |  |
| --- | --- |
|  | 2017 |
| Training is of a poor quality or low standard | 41.8 |
| Relevant skills are not taught | 41.3 |
| Not enough focus on practical skills | 28.6 |
| Training is too general and not specific enough | 21.4 |
| Instructors do not have enough industry experience | 11.7\* |
| Poor access to training in regional/rural areas | 9.8\* |
| Standards are inconsistent across institutions | 8.8\* |
| Training is too expensive | Np |
| Training content is outdated | Np |
| Other reasons | 15.5 |

Notes: Np Not published. NCVER does not report on estimates based on five or fewer respondents because the estimates are unreliable.

\* The estimate has a relative standard error equal to or greater than 25% and should be used with caution.

Source: NCVER (2017).

### Training their existing employees

When training an existing employee, the focus of a quality VET system from the employers’ perspective is likely to be different from wanting a job-ready graduate. As shown above, the main reason for employers using either nationally recognised training or unaccredited training was to provide skills for the job. But, from the employers’ perspective, does the achievement of that, alone, make for a quality VET system?

Again, we can look to the Survey of Employer Use and Views to gain insights into what employers may look for in a quality VET system. Employers who were dissatisfied with nationally recognised training reported the training as ‘being of a poor quality or low standard’ (47.7%) and ‘relevant skills are not taught’ (33.0%) as the two main reasons for dissatisfaction (table 10).

Table 10 Reasons for dissatisfaction with nationally recognised training (% of dissatisfied employers using nationally recognised training)

|  |  |
| --- | --- |
|  | 2017 |
| Training is of a poor quality or low standard | 47.7 |
| Relevant skills are not taught | 33.0 |
| Not enough focus on practical skills | 20.8\* |
| Training is too general and not specific enough | 13.2\* |
| Instructors do not have enough industry experience | 11.1\* |
| Training is too expensive | 7.1\* |
| Poor access to training in regional/rural areas | np |
| Training content is outdated | np |
| Access and the amount of funding available | na |
| Other reasons | 12.5\* |

Notes: Np Not published. NCVER does not report on estimates based on five or fewer respondents because the estimates are unreliable.  
Na Not applicable  
\* The estimate has a relative standard error equal to or greater than 25% and should be used with caution.

Source: NCVER (2017).

As table 11 demonstrates, for apprentices and trainees, where the training also occurs after the employee has been appointed, similar reasons for employer dissatisfaction feature highest: ‘training is of a poor quality or low standard’ (60.2%); ‘relevant skills are not taught’ (33.5%); and ‘not enough focus on practical skills’ (29.0%) (NCVER 2017).

Table 11 Reasons for dissatisfaction with apprentices and trainees (% of dissatisfied employers using apprentices/trainees)

|  |  |
| --- | --- |
|  | 2017 |
| Training is of a poor quality or low standard | 60.2 |
| Relevant skills are not taught | 33.5 |
| Not enough focus on practical skills | 29.0 |
| Insufficient communication between training provider and employment agency | 11.7\* |
| Instructors do not have enough industry experience | 13.1\* |
| Training is too general and not specific enough | 9.2\* |
| Apprentice/trainee had a poor attitude | 8.1\* |
| Poor access to training in regional/rural areas | 4.8\* |
| Access and the amount of funding available | np |
| Training content is outdated | np |
| Other reasons | 13.2\* |

Notes: Np Not published. NCVER does not report on estimates based on five or fewer respondents because the estimates are unreliable.  
\* The estimate has a relative standard error equal to or greater than 25% and should be used with caution.

Source: NCVER (2017).

Once again, the job relevance of the skills being taught appears to be an important factor for employers and is likely to be an integral component of a high-quality VET system.

### Influencing how training is conducted (through engagement with an RTO or through training package development)

The Smith et al. (2017) report, cited earlier, investigates employers’ experiences when partnering with RTOs. Their research, and in particular the nine partnership case studies conducted, reveals a diverse array of drivers for employers to partner with RTOs. These reasons — which range from fulfilling licensing and accreditation requirements, to general training needs, specific skill needs and providing pathways to higher-level work — suggest that the flexibility of the VET system response to employers’ needs is likely to be an important component of a quality VET system for employers.

A quality VET system from the employers’ perspective generates work-ready graduates but is also flexible enough to cater for diverse training and accreditation needs.

Considering the three touch points together, it appears that a quality VET system from the employers’ perspective is one that generates work-ready graduates but is also flexible enough to cater for employers’ other diverse training and accreditation needs.

## What are the enablers of, and barriers to, a system that meets the expectations of employers?

The previous sections suggest that employers are demanding users of the VET system. As expectations of employers increase, satisfaction with training may decrease if the VET system cannot keep pace. The data presented in tables 10 and 11 shows that, in addition to poor-quality training, employers criticise the VET system for training that fails to provide job relevant skills. However, internet job vacancy data show that employers are looking for soft skills in addition to current technical skills. While employability skills have been embedded in training packages, Wibrow (2011) explains that teachers are uncertain about how to teach and assess them. This potentially undermines the aim of ensuring that graduates have these skills. Wibrow (2011) goes on to suggest that involving employers, by perhaps enabling students to learn these employability skills in the workplace, may result in better-equipped graduates.

Many factors contribute to the development of work-ready graduates, such as (but not limited to): the content of the relevant training package(s); the ability and experience of the trainer(s); the training equipment and facilities; and how the training is conducted. All of these factors can act as enablers or barriers to meeting the employers’ expectation of work-ready graduates.

However, employers are ultimately dependent on the assessment and certification process. Employers need to be confident that a graduate has the skills for which they have been accredited. Holding a qualification, or proffering a unique student identifier (USI) transcript, should signal to the employer that a graduate is competent.

The quality of assessment has long been recognised as an important element of the VET sector. As the Australian Department of Education and Training (2016a) states in its discussion paper on the quality of assessment in VET, ‘in a competency-based training system, assessment is the gatekeeper for quality’.

From the employers’ perspective, the Survey of Employer Use and Views shows a reasonably high level of satisfaction with the standard of assessment (table 12). However, Noonan and Condon (2013) in their report on VET quality highlighted that industry had raised concerns about the quality of teaching and assessment. The specific concerns included:

* the quality of VET teaching and the need for stronger requirements regarding teacher skills, and related to this, the quality and adequacy of the Certificate IV in Training and Assessment (TAE)
* the quality of educational design (including mode of delivery, workplace learning and the ‘depth and duration of training’)
* inconsistent understanding of quality, and what is expected for training to be of adequate quality (Noonan & Condon 2013).

Similar concerns about ‘tick and flick’ approaches to training and assessment were also raised by employers in Shah (2017).

Assessment is an area that has been highlighted by the Australian Skills and Quality Authority as requiring more attention (Australian Department of Education and Training 2016a). To this end, in 2015 the Australian Government formed a Training and Assessment Working Group to consider possible reforms to improve the quality of assessment. This resulted in a set of recommendations (Australian Department of Education and Training 2016b), to be considered by government, which sit under four main themes:

* approaches to strengthening the skills of trainers and assessors
* consideration of improved validation of assessment
* options for tougher regulatory intervention
* provision of information to the VET sector.

Given these concerns, it is reasonable to conclude that uncertainty about the quality of assessment, and a consequential lack of confidence that graduates have the skills for which they have been certified, is a barrier to employers being assured of work-ready graduates.

Table 12 Employers satisfied1 with the standard of assessment by main type of training provider, 2017

|  |  |
| --- | --- |
|  | % |
| **Apprentices and trainees** |  |
| TAFE | 82.1 |
| Private training provider | 84.6 |
| Professional or industry association | 83.2 |
| Other providers2 | 86.8 |
| **Nationally recognised training3** |  |
| TAFE | 87.1 |
| University | 99.4 |
| Private training provider | 89.6 |
| Professional or industry association | 92.1 |
| Other providers4 | 96.4 |
| **Unaccredited training** |  |
| TAFE | 98.9 |
| Private training provider | 90.7 |
| Professional or industry association | 89.7 |
| Supplier/manufacturer of equipment and/or product | 92.9 |
| Other providers5 | 90.0 |

Notes: 1 Satisfied was rated as a 4 or 5 on a 5-point scale. It includes employers who were satisfied and  
 very satisfied. Dissatisfied was rated as a 1 or 2 on a 5-point scale and includes employers who were dissatisfied or very dissatisfied.

2 Other providers used for training apprentices and trainees include universities, suppliers/manufacturers of equipment/product or other providers.

3 Nationally recognised training is defined as nationally recognised training that is not part of an apprenticeship or traineeship. For the purposes of this survey, employers with apprenticeships and traineeships are reported separately.

4 Other providers used for nationally recognised training include suppliers/manufacturers of equipment/product or other providers.

5 Other providers used for unaccredited training include universities or other providers.

Source: NCVER (2017).

Having sufficient flexibility in the VET system to meet their diverse training and accreditation needs is an important component of a quality VET system for employers, particularly in training existing employees. Employers interviewed by Smith et al. (2017) identified the provision of flexible and customised training as a benefit of forming a partnership with providers. Partnerships can act as an enabler in better matching training to employer needs. One of the ‘partnership success factors’ identified by Smith et al. (2017) was flexibility, defined as the willingness of providers to alter delivery methods and to customise content to suit the specific needs of employers. However, finding an RTO that is flexible enough to meet firms’ needs was a challenge to some of the employers interviewed in Shah (2017).

While flexibility is important, national consistency is also important. The Productivity Commission (2011) reports that industry wants consistent national training, so that it is easier to recruit across state boundaries. More recently, Shah (2017) found that firms with operations in different states had to negotiate the rules and regulations for accessing public subsidies for training, which varied across jurisdictions and over time. Another issue that arises with flexibility in customising training content is that this fosters a system in which there is a lack of standardised national assessment (Guthrie 2009), adding to the uncertainty that employers might have in recruiting learners from elsewhere.

Difficulties in balancing consistency with the flexibility required to cater to the specific needs of employers might act as a barrier in the VET system to meeting the expectations of employers.

## How effective and/or useful are any currently available measures of quality? What might be better?

Some of the existing measures reflect the views of employers. For example, the Survey of Employer Use and Views provides measures such as satisfaction with various elements of the VET system (and reasons for not being satisfied, which include low-quality training). Similar measures can also be found in the Victorian Skills and Training Employer Survey, a state-wide survey of the experience of Victorian employers in regard to recruitment, skills needs and training (Victorian Department of Education and Training 2017a). However, as discussed in the section on learners in this paper, these measures are not available at a level that is useful to employers when they are making decisions about where to recruit graduates from (in terms of where they have trained) or where to source training and accreditation for their existing employees.

Small firms could particularly benefit from accessible, reliable and objective information to help them to navigate the, often aggressive, marketing employed by providers.

It is not clear if and how any existing measures of quality are used by employers. It is likely that employers are using other forms of information or advice to assist them in their decision-making. In a survey of employers, EY Sweeney (2017) found that the factors used by employers to make decisions about *what provider to use* include:

* helpfulness of the provider (especially if the employers have little prior experience with the VET system)
* providers who are most closely aligned with their needs
* the most cost-effective solutions.

But, in contrast, when asked to consider the types of information that would be useful to have *before enrolling an employee in a course*, employers reported that course details such as study mode, location and duration were regarded as most useful (92%), followed closely by RTO performance, such as reputation and compliance history (89%). These were rated more highly than course price (68%) and course indicators such as student and employer feedback (68%). Employers also revealed a desire to understand the industry knowledge and experience of teaching staff.

Employers can be approached regularly by a variety of providers and filtering these to find the ‘quality’ provider is a challenge. Because of this, employers often stick to known and familiar providers within their industry (EY Sweeney 2017).

In a study on employers’ perspectives of training in three industries,[[3]](#footnote-3) Shah (2017) found that the experience of small firms in the training market can be quite different from that of large firms. Small firms, in particular, could benefit from accessible, reliable and objective information to help them to navigate the, often aggressive, marketing employed by providers.

Information sourced through partnerships between employers and RTOs may be more useful to employers than other available measures of quality. Smith et al. (2017) found that RTOs are acting as ‘navigators’ of the VET system, helping employers to identify their needs and the possible ways of meeting them.

It seems there is a real gap in measures of quality that would be useful to employers. Employers are likely to find a provider-level measure of quality informative for assessing graduates for potential employment, as well as for considering possible partnerships for the training of existing staff. Potentially useful information is currently collected through the employer satisfaction questionnaire, a questionnaire that ASQA-registered providers are expected to administer through the 2012 data-provision requirements (ASQA 2015c). This questionnaire collects data on employer satisfaction with a broad range of training elements, and other employers may find this useful information for decision-making. However, as these questionnaires are administered by the RTOs, they are not necessarily managed in a statistically reliable way. RTOs manage which employers and how many are selected for the survey; therefore the results may be biased. These data are also not available publicly. Additionally, as Karmel et al. (2013) rightly point out, RTOs are sometimes large and multidisciplinary and may support multiple campuses. Hence, a measure of quality at the provider level still might not assist an employer to choose training or graduates at the course level, so there would be some limitations in their use.

# Training providers

## What in the VET system is important to training providers?

Training providers are at the centre of the VET system and have multiple stakeholders, all of whom come with their own expectations. Providers need to meet government and regulator accountability requirements, deliver training that meets current and future skills as demanded by industry, and deliver the skills required by students for their current or future jobs (Misko 2017).[[4]](#footnote-4) In addition, the RTOs themselves expect to maintain or grow their market share in an evolving contestable market. All of these elements are important to providers. The distinction between quality VET and a quality VET system (as described in the introduction) is particularly important when considering training providers. A training providers’ aim is (or should be) to deliver quality VET, enabled by the quality VET system in which they operate.

The intersection of good outcomes for learners and industry is central to the role of providers.

The intersection of good outcomes for learners and industry is at the heart of the providers’ role and mission. Training providers are conduits between students and industry and, hence, the relationships (both direct and indirect) they build with both of these stakeholder groups are highly significant as they help providers to understand and meet the needs of their clients.

The importance to providers of successful and positive learning experiences for students is demonstrated through the array of strategies implemented by providers to support students. Common types of services and supports available include:

* counselling and career services to help learners plan their course of study and develop other skills for success in their careers
* learning support services to help students get the most out of their learning experience, and supports for learners who may be experiencing disadvantage (such as those with disability, Indigenous students, or those with literacy difficulties)
* outreach programs for students experiencing other barriers to study (such as social and financial difficulties).

A common strategy employed by providers is to give students a ‘voice’, to help ensure they are meeting students’ needs. This can include discussion groups, one-on-one discussions with teachers, representation on governance bodies, and complaints and suggestion box arrangements (Misko & Halliday-Wynes 2009). The emergence of training-related ombudsmen, such as the federal VET Student Loans Ombudsman established in July 2017, may further focus the attention of providers onto both positive and negative learning experiences for students.

Other factors important to RTOs in terms of meeting the needs of their clients (employers and students) are uncovered in Smith et al.’s 2017 study on RTO—industry partnerships. A survey of RTOs on the reasons for entering into partnerships with industry shows that all of the listed reasons for establishing partnerships with industry were selected to a relatively high degree. The three most commonly selected reasons were: to maintain relevance/alignment with industry needs/requirements; to keep up to date with industry needs/requirements; and industries/employers had requested the RTO assist them (table 13). For TAFE institutes and for-profit private RTOs, attracting additional revenue was also a common driver for RTO involvement in industry partnerships. Table 14 shows other reasons for providers to partner with industry, further developing the picture of what is important to providers. Note that some of these reasons illustrate what providers consider important in terms of training quality.

Table 13 Drivers for RTO involvement in industry partnerships

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Per cent who agreed** | **TAFE** | **For-profit** | **Non-profit** | **All RTOs** |
| To maintain relevance/alignment with industry needs/requirements | 100.0 | 91.1 | 86.2 | 91.3 |
| To keep up to date with industry needs/requirements | 100.0 | 86.7 | 86.2 | 89.1 |
| Industries/employers have requested that we assist them | 94.4 | 77.7 | 82.8 | 82.6 |
| To bring in additional revenue | 100.0 | 77.7 | 65.5 | 78.3 |
| To give staff stronger links with industry | 88.9 | 75.5 | 75.9 | 78.3 |
| To build extra capability within our staff | 94.4 | 68.8 | 69.0 | 73.9 |
| To find future employers for our students | 88.9 | 55.5 | 69.0 | 66.3 |
| If we did not get involved in the partnering, another organisation would have taken the opportunity | 83.3 | 45.4 | 51.7 | 54.9 |

Notes: 1 Q11 in appendix B: What are the main drivers for your organisation’s involvement in industry/employer partnerships?

2 Agreed: rated 4, 5 or 6 on a scale of 1 (strongly disagree) to 6 (strongly agree).

Source: Smith et al. (2017).

Table 14 RTO ‘other’ reasons for partnering with industry

| Growing RTO/competitive edge | Community/industry service | Training quality |
| --- | --- | --- |
| * To gain access to state of the art equipment. Maintain our presence within the market force. * To develop our reputation within industry as a valuable training partner that adds real value to industry's profitability. * To increase customer loyalty and longevity. * Provides professional development opportunities. | * To assist the community. * To provide training for the  rural and remote agricultural industries where access is extremely limited and no other opportunities for training services are offered. * To support the economic development of this state and Australia overall. * To assist the industry to maintain a pool of qualified  staff for seasonal work. | * To keep our industry partners up to date with standards/WHS requirements. * To deliver industry-relevant educational outcomes. * Collaboration to influence design of new training and curriculum. * To support employers to realise efficiencies and improvements through high-quality, well-designed training solutions. |

Source: Smith et al. (2017).

## From the training provider’s perspective, what makes a good-quality VET system?

It is helpful to refer to TAFE Directors Australia (TDA) and the Australian Council for Private Education and Training (ACPET), bodies that represent TAFE institutes and private providers respectively, to gain insight into how they view quality. In its 2016 policy position paper, *Quality is the hallmark of a well-regulated VET system*, TAFE Directors Australia (2016, p.1) asserts that:

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.

This statement reflects the multiple clients of VET providers and the ultimate goals (and potential outcomes) of a quality VET system.

In its code of ethics for members, the Australian Council for Private Education and Training (2015) includes a number of requirements of its members under a section titled ‘quality’. These cover a variety of elements, including (but not limited to):

* provision of suitably qualified teachers and trainers with industry relevance
* high standards in the planning and delivery of training
* maintenance of suitable learning environments and facilities
* meeting student attendance levels/academic progress/completion rates
* compliance with the relevant regulatory requirements.

Given the multiple stakeholders, and their expectations, it is difficult to prioritise any elements that constitute a quality VET system. The key drivers of effective and efficient performance are multifaceted and understanding them must take into account the various operations that enable RTOs to deliver successful training outcomes, while also maintaining relevance, financial and market viability, accountability and quality (Misko & Halliday-Wynes 2009). Put simply, the intersection of good outcomes for learners and industry is at the heart of the provider’s reason for being, meaning that aspects of the VET system that facilitate such outcomes are key to a quality system for providers.

A quality system for providers is one where the reputation of VET is strong.

Training providers are dependent on the value that stakeholders place on the VET sector (Australian Skills Quality Authority 2015a). Unscrupulous or poor-quality providers can have a significant negative impact on the entire system (Mackenzie 2015), potentially damaging the reputation of individual providers (even those not displaying poor behaviour or quality). Given this, it might be reasonable to suggest that a quality system, from the perspective of training providers, is one where the reputation of VET is strong and not undermined by the presence of poor-quality providers. That said, while having few or no poor-quality providers in the VET system will not necessarily lead to a high-quality system, this goal is more achievable without them.

## What are the enablers of, and barriers to, a system that meets the expectations of training providers?

The unscrupulous behaviour of providers established with the aim of taking advantage of funding arrangements and vulnerable potential participants has damaged the reputation of the VET sector (CEDA 2016). This loss of reputation is a barrier to a system that meets the expectations of training providers. Tighter regulation and quality assurance are aimed at reducing this impact.

Quality assurance in the Australian VET sector relies on regulation, contracting standards and information provision; basically it is a risk- and compliance-based system (Mackenzie 2015). While consistency and stability in the regulatory regime are important for a quality VET system, increased regulation to counter poor-quality VET provision is a double-edged sword, as increased red tape can be an administrative and financial burden on providers. Reporting on contract performance, in addition to the regulator’s requirements, can be an unwelcome imposition. To this end, in 2016, TAFE Directors Australia called for a risk-based regulatory regime, one in which a lighter regulatory touch would be applied to low-risk providers, meaning less onerous and less frequent compliance audits (TAFE Directors Australia 2016). The paper also suggested that these low-risk providers be granted delegation to alter their scope of registration and to accredit courses, allowing them to respond more quickly to industry and learner needs and improve efficiency and effectiveness while reducing operational costs. This self-service already occurs in higher education where universities do their own accreditation.

Elements of the VET system that allow providers to achieve good outcomes for learners and industry are enablers to a quality system.

As indicated above, good outcomes for learners and industry are the ultimate goal for providers. Hence, the elements of the VET system that allow providers to achieve these outcomes are enablers. Having adequate resources and funding is one of those elements likely to impact on the quality of the training provided. Noonan (2016) reports on the declining levels of public investment in VET, particularly in some jurisdictions, and highlights the growing imbalance between investment in VET relative to schools and higher education. While it does not consider private investment in VET, Noonan describes a decline in public expenditure per annual training hour over the past ten years or so. In 2010, Noonan et al. already suggested that:

Declining funding levels per annual hour are likely to affect quality, limit the amount of individualised support and programs for individuals with major learning needs and perpetuate high-volume/low margin approaches to training delivery and assessment. (Noonan et al. 2010, p.2)

Flexibility in the system is another element that enables providers to tailor training to meet both learner and industry needs within the constraints of training packages. However, while flexibility in the system has resulted in jurisdictional differences in regulation, providers can face barriers in establishing training provision for national enterprises (Misko & Halliday-Wynes 2009).

The quality of outcomes for learners and employers is also likely to be influenced substantially by the individual capabilities of the trainers. Recent work on continuing professional development for a diverse VET practitioner workforce (Tyler & Dymock 2017) underlines the lack of current data on this workforce. This is becoming an obstacle to understanding the workforce’s capacity and capability (Productivity Commission 2011) and creating a barrier to improving the quality of VET teaching and assessment. Investment in a regular survey of the VET workforce, as suggested by the Productivity Commission (2011) and subsequently developed by NCVER (2012, unpublished), would enable better planning and development of the VET workforce.

Similarly, in its discussion paper on the quality of assessment in VET, the Australian Department of Education and Training (2016a) suggests that the assessment skills of the VET workforce have been identified as the key issue undermining the quality of assessment outcomes. Amongst a host of reforms proposed for discussion, the Department of Education and Training (2016a) raises the idea of allowing training-only RTOs and enabling their recognition within the regulatory framework. They argue that this would allow organisations with high-quality training to focus on those strengths without the pressure to develop and deliver assessment for which they may not have the skills or expertise. This idea, and the assumptions that good-quality teaching and good-quality assessment are not closely related and that one puts pressure on the other, is yet to be tested and seems contestable. The consequences of implementing such a proposal need further consideration, but the idea in itself also demonstrates a desire to remove barriers that lead to instances of poor assessment.

## How effective and/or useful (to training providers) are any currently available measures of quality? What might be better?

Quality information is important to providers. There are two main purposes for which they need to access or generate information and data: to plan their business and for reporting purposes. Providers need to understand the markets in which they operate and what their competitors are doing. To do this, providers use a combination of market intelligence and data that demonstrate their relative performance. Not all of this information and data are quality-related. How providers plan their business using information on local or regional skill needs, projected economic conditions and other types of training demand, for example, is beyond the scope of this discussion. An attempt is made here to limit the discussion to ‘quality-related’ measures.

Providers use a range of existing surveys such as NCVER’s National Student Outcomes Survey, the Survey of Employer Use and Views and state-based surveys of business satisfaction (where available) for strategic planning and evaluation (Misko & Halliday-Wynes 2009). These surveys help providers to understand trends in client satisfaction and employment outcomes (all potential measures of quality). Students and courses (and the more recently developed total VET activity data) and apprentice and trainee data are used by directors to get a general view on how the provider is tracking in terms of participation (Misko & Halliday-Wynes 2009). To further improve the usefulness of its products to providers, NCVER is currently working with stakeholders to determine how its data products can be designed to inform individual providers of their relative performance.

While providers use external surveys for planning and evaluation, as described above, at the program level the response rates and sample sizes are too low to provide meaningful information (Misko & Halliday-Wynes 2009). The time lag is also unhelpful for planning. Consequently, providers also use their own surveys of staff, students and employers to measure outcomes and satisfaction, with some of these surveys conducted under the quality indicator reporting obligations of the Australian Skills Quality Authority (2017c). It is easier to get program-level data when they are collected internally, but getting students to respond is difficult, as is surveying students after they have left the provider. These aspects can reduce the value of the information due to poor coverage and representation of all groups.

As mentioned in the previous section, good-quality data on the VET workforce are lacking. The Productivity Commission reported in 2011 that, while the TAFE sector is rich in administrative data on the VET workforce, key information is either inconsistent or missing. They also reported that the data for the private VET sector was particularly poor. Improved data, through a mechanism such as the above-mentioned survey, would be beneficial to providers, enabling them to assess the quality of their trainers and assessors.

# Government (funders and policy-makers)

## What in the VET system is important to government?

Both the Commonwealth and state and territory governments have invested heavily in the VET sector and expect positive social and economic outcomes for learners, employers and the community, that is, a positive overall return from their investment (NCVER 2016c).

At the broad economic scale, for education and training to be a worthwhile investment for government, any government spending must be offset by increases in employment and productivity and any positive influence this has on gross domestic product and net social benefit (Griffin 2016). It is important to government that long-range productivity needs are met. It is also important that VET provides pathways with options for higher learning, both promoting social inclusion and developing the types of skills important for Australia’s future economy. As policy-makers and funders in the system, governments have a deep understanding of the varied roles of the sector.

Government plays an integral part in the quality assurance of the VET system.

The overarching quality of the VET system is important to government, particularly given the requirement for the appropriate use of public funds, with government necessarily therefore playing an integral part in the quality assurance of the VET system through various mechanisms. Government is responsible for setting the legislative framework for quality and for the establishment and funding of the regulators. Additionally, as procurement contractors for training, government initiates quality assurance through contract management separate to, and in some instances more onerous than, quality assurance through regulation. Jurisdictions often differ in the quality assurance expectations of the providers they contract for training, over and above the regulatory expectations (Bowman & McKenna 2016).

## From the government’s perspective, what makes a good-quality VET system?

The Australian Department of Education and Training (2017b) states on its website that ‘High quality training ensures that VET graduates have the skills required by industry and employers and that consumers have confidence in nationally-recognised VET qualifications’. This definition considers quality at a high, overarching, level.

Delving deeper into the problematic issue of clearly defining the quality of VET, another definition from the perspective of a government entity is provided by the Victorian Department of Education and Training (Deloitte Touche Tohmatsu 2015, p.4):

First and foremost quality is an intrinsic characteristic of training delivery (that is, one that is difficult to observe). Whilst it’s difficult to define, it is ultimately reflected in the levels of educational and subsequent economic and social outcomes for training participants, employers and the community. Furthermore, a learner’s best interest should be at the centre of a quality vocational training system.

Quality is the fact and perception that:

* The qualification attained through VET has integrity (i.e. students have attained the expected competencies and can use these to support employment outcomes); and
* The student experience aligns to the student’s expectations.

These definitions do not consider some of the other important elements, objectives or outcomes of the VET sector from the perspective of governments (such as a return on investment, social and community outcomes), demonstrating in this case that ultimately learner and industry needs are at the heart of the system.

## What are the enablers of, and barriers to, a system that meets the expectations of government?

As policy setters and funders (and regulators in some states), governments play an influential role in the quality of the VET system. Many of the policy initiatives over the past five to 10 years have been established with the aim of creating a system that meets the expectations of government. These have all, to some degree, influenced the quality (or the perceptions of quality) of the VET system. Government roles and responsibilities in relation to the VET system are outlined in the National Agreement on Skills and Workforce Development (COAG 2012a) and the National Partnership Agreement on Skills Reform (COAG 2012b).

The *Council of Australian Governments (COAG) National Agreement on Skills and Workforce Development* specifies that one of the shared responsibilities of both the Commonwealth and state and territories is to ‘develop and maintain the national training system including ensuring high quality training delivery’ (COAG 2012a). Additionally, one of the reform directions agreed to was to ‘assure the quality of training delivery and outcomes, with an emphasis on measures that give industry more confidence in the standards of training delivery and assessment’ (COAG 2012a).

Similar in intent, one of the outcomes sought by the National Partnership Agreement on Skills Reform (COAG 2012b) is ‘a higher quality VET sector, which delivers learning experiences and qualifications that are relevant to individuals, employers and industry’. While the end date for the partnership agreement has now passed, a variety of outputs related to improving the quality of the system were specified, including:

* implementation of criteria specific to each state for access to public subsidy funding and/or complementary strategies that take account of the competition in local training markets and pattern of reforms and could include monitoring, evaluation, performance and quality indicators for providers
* development and piloting of independent validation of RTO assessment practices with a view to informing the development of a national model
* publication of information on the quality of providers (on the My Skills website and on RTOs’ own websites).

These points illustrate the various mechanisms by which government has attempted to ensure quality in the system.

A number of elements have been introduced into the system since the agreement was put in place in order to improve the availability and quality of information for all users of the system, including:

A growing challenge for governments is the market drift towards students choosing shorter courses, skill sets and single subjects.

* the collection and reporting of total VET activity
* the introduction of the unique student identifier
* the ongoing development of the My Skills website.

Many of these activities have improved information availability, the assumption being that this, in turn, improves quality. This relationship between this information availability and improved quality is discussed further in the concluding section of this paper.

As discussed earlier, governments have also had to respond to a relatively recent issue where a small number of providers had taken advantage of funding arrangements (the now-defunct VET FEE-HELP program) to target vulnerable people (Australian Department of Education and Training 2015). A barrier to a system that meets the expectations of government might be identified from this, where the behaviour of the system (or the behaviour of elements in the system) changes at a rate so fast that is difficult for policy (or the regulators) to keep pace with identifying and preventing issues. Regulation of the VET sector is no easy task, especially given the large number of small providers in Australia, as reported by Korbel and Misko (2016). Almost 2000 providers (40% of the total number) have fewer than 100 students. Coupled with the large number of qualifications on offer, even though a high proportion of enrolments (85%) is concentrated in a small proportion (12%) of those available (Korbel & Misko 2016), robust regulation is challenging as it requires significant resourcing. The large numbers of providers and qualifications can also act as a barrier to the quality of the VET sector from the perspective of governments because of the resources required to adequately address the scale.

A growing challenge for governments (as funders and policy-makers) is the market drift towards students choosing shorter courses, skill sets and single subjects, to suit preferences of both students and employers. While this is a legitimate part of provider business models, this ‘micro-credentialling’ confounds more traditional views of requiring full qualifications and their completion rates as a proxy for quality. It is worthy of further investigation as this growth can reflect a mismatch and imbalance between the regulation of qualifications and the needs of employers and students.

The Standards for Registered Training Organisations (RTOs) 2015 represent the expectations that governments place on RTOs and provide government with confidence to invest in training. By means of the *National Vocational Education and Training Regulator Act 2011* (NVETR Act), government relies on the regulatory bodies to monitor quality in the system by ensuring that providers comply with the Standards for RTOs. In 2017, the government announced that a review of the NVETR Act would be undertaken, with the strategic objectives of: aiming to support a more efficient and risk-based approach to compliance; enabling swift enforcement of sanctions when poor-quality training is detected; and ensuring adequate information is available to support VET consumers’ choices regarding training (Australian Department of Education and Training 2017c). The review aims to effect improvements to the quality assurance mechanisms in the VET system, in line with the expectations of government.

## How effective and/or useful (to government) are any currently available measures of quality? What might be better?

The indicators of interest to government are likely to relate to elements such as:

* participation and outcomes of total reported VET students and those identified as having a disadvantage in VET, as well as student satisfaction

There is a strong government appetite for the development of performance indicators and to streamline system reporting of quality indicators.

* VET system efficiency
* employer engagement and satisfaction with VET.

These indicators are reported on in the *Report on government services* (Productivity Commission), where the VET performance indicators presented for VET broadly align with the National Agreement on Skills and Workforce Development (COAG 2012a) and draw on existing national surveys and administrative data.

Existing surveys and administrative data are able to provide a largely macro picture of how the VET system is performing. At the micro level, in addition to the requirements that providers comply with the relevant regulatory bodies, further reporting requirements may be specified in funding contracts (Bowman & McKenna 2016), with the aim of presenting government with provider-level performance metrics. However, in their 2015 review of quality assurance in Victoria’s VET system, Deloitte Touche Tohmatsu suggested there is a lack of systematic information and performance data and analysis to enable the department to monitor the quality of RTOs, the qualifications delivered and student outcomes. It is not unreasonable to speculate that this may apply in other states and territories. Despite this, there is evidence that information and data have been used to take action against providers demonstrating poor-quality training provision, both through the ‘training-quality blitz’ in Victoria, as a response to the review of quality assurance in the Victorian VET sector, and ongoing actions taken by the national regulator (ASQA 2015d).

With an appetite to further develop performance indicators and to streamline system reporting of quality indicators (COAG Industry and Skills Council 2015), the Completions and Outcomes Working Group (COMWG) on Performance Information for VET (PIVET), a working group of COAG, has developed an initial set of performance indicators that might be incorporated into existing VET-related surveys. As part of this work, Victoria has suggested an initial set of three core indicators and an additional six for further consideration (table 15).

Table 15 Indicators under consideration by the Completions and Outcomes Working Group

|  |  |
| --- | --- |
| **Indicator 1:** | Improved employment status for those who have completed training |
| **Indicator 2:** | Clients of the VET system would recommend the institute |
| **Indicator 3:** | Overall satisfaction with training |
| **Indicator 4:** | VET graduates have improved foundation skills following training completion |
| **Indicator 5:** | VET graduates go on to further study |
| **Indicator 6:** | VET graduates acquire skills relevant to the labour market |
| **Indicator 7:** | Learners are engaged in the training process |
| **Indicator 8:** | Students have a positive perception of their learning experience |
| **Indicator 9:** | Students have a positive perception of the assessment process |

Source: Completions and Outcomes Working Group (COMWG unpublished).

Also as part of the Completions and Outcomes Working Group, consideration has been given to data-linkage projects that could provide alternative ways to understand the outcomes of VET, potentially enhancing knowledge and information gained through traditional surveys. Examples of data-linkage projects include NCVER research recently conducted on the training and labour market outcomes for VET in Schools students (Misko, Korbel & Blomberg 2017). This project is making use of the work done by the Australian Bureau of Statistics to link the 2006 VET in Schools Collection with 2011 Census data (ABS 2014).

# Regulators

This section draws substantially on the information provided by the national VET regulator, the Australian Skills Quality Authority, with additional material from the Victorian Registration and Qualifications Authority (VRQA) and Western Australia’s VET regulatory body, the Training Accreditation Council (TAC). These states have opted out of the federal regulatory system.

## What in the VET system is important to regulators?

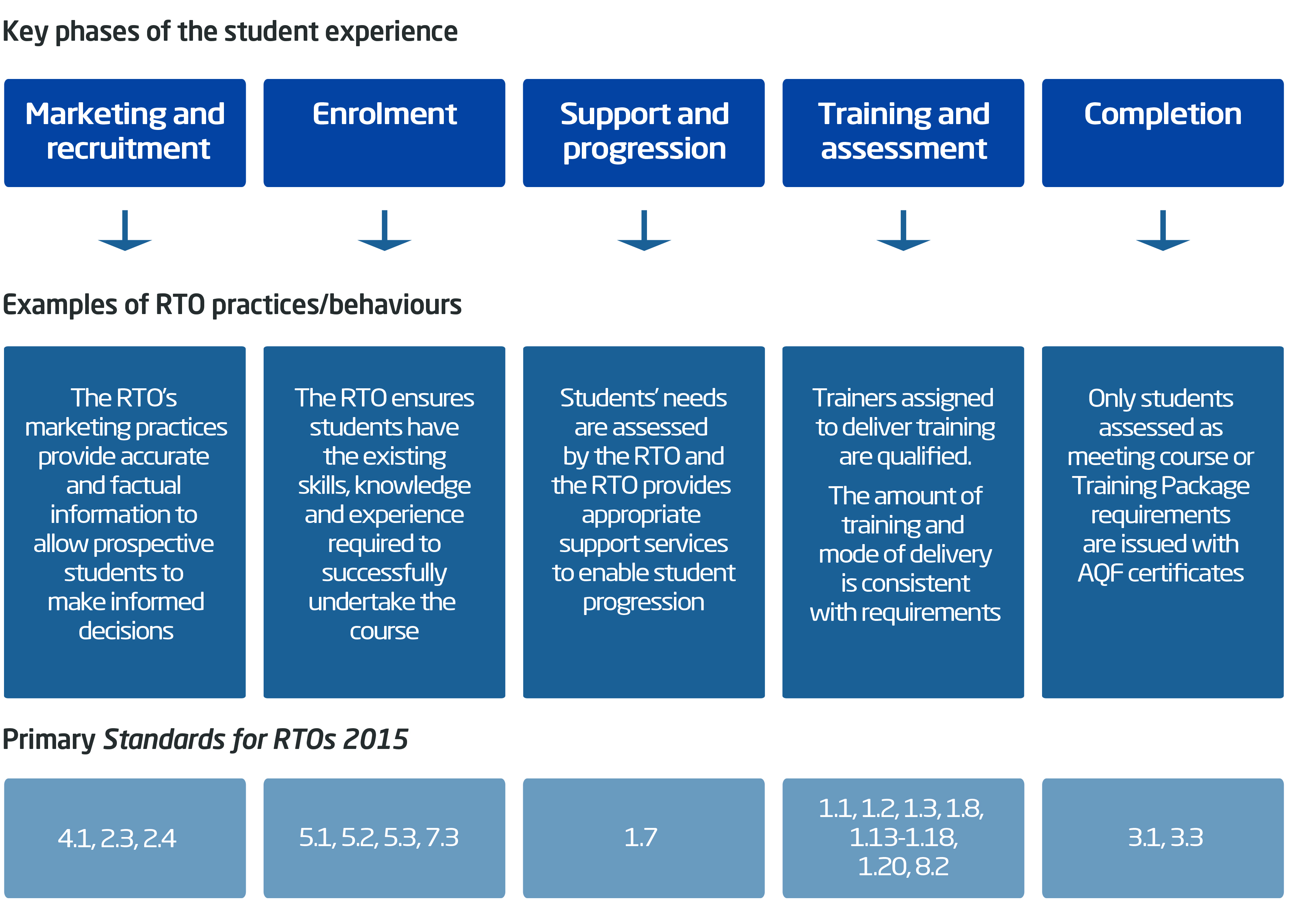
Regulators are somewhat different from the other groups included in this report, in that they stand independent, although they are to represent the interests of the other groups by aiming to manage risk in the system for the benefit of all stakeholders.

The expectations of the national regulator, ASQA, can be determined by examining the risks it aims to manage. The primary risk for ASQA to manage is ensuring that a person who has been certified by an RTO as possessing specific skills, knowledge and attitudes does in fact possess these competencies (ASQA 2016a). As ASQA notes, the potential for this to be otherwise is substantial and affects not merely the individual, but also employers and the wider community.

Regulators stand independent, but aim to manage risk in the system for the benefit of all stakeholders.

ASQA seeks to manage risks on two levels: strategic (systemic risk) and operational (provider risk) (ASQA 2016a). Systemic risk is likely to exist across the sector or in a number of providers and, if left untreated, can have a detrimental impact on the quality of training and assessment for individuals, industry, and the wider community, leading to a loss of confidence in the sector. Provider risk relates to the choices and actions of an individual provider. This two-tiered strategy for managing risk in the sector is also highlighted by Western Australia’s Training Accreditation Council (TAC).

ASQA’s recent move to a student-centred audit approach (ASQA 2016b) emphasises a new and more substantial focus on the student experience. This shift in focus — which encompasses the entire learner journey, from pre-enrolment to completion — demonstrates how important the learner experience now is to the regulator. It also suggests that the student experience is seen as a useful risk indicator of provider quality (or behaviour). Figure 2 shows how ASQA is structuring audits around the practices and behaviours of training providers in the context of the phases of the student experience and how these relate to the *Standards for Registered Training Organisations (RTOs) 2015.* While key standards are specified against each of the student experience stages, it is expected that RTOs will meet all the requirements of the VET Quality Framework, including all standards.

Figure 2 ASQA’s student-centred audit approach

Source: ASQA (2016b).

## From the regulator’s perspective, what makes a good-quality VET system?

Given the role of the regulators, a quality VET system is one in which providers delivering and certifying training that fails to meet the nationally approved quality standards are identified and quickly dealt with.

ASQA (2015e) provides the following purpose statement on its website: ‘The Australian Skills Quality Authority promotes quality training so that students, employers, and industry have confidence in Australia's training sector’.

Notably, ‘quality’ is not defined. But in its document, *About the standards for RTOs 2015* (ASQA 2015a), ASQA describes the benefits of a quality VET sector for various stakeholders. Table 16 provides us with an indication of ASQA’s view of a quality VET sector.

Table 16 The elements of a quality VET sector for various stakeholders

|  |  |
| --- | --- |
| **Stakeholder group** | **Elements of a quality VET sector** |
| Learners | Confidence that, no matter which provider they choose, they will receive quality training and assessment that is responsive to industry needs and to their needs. |
| Industry/employers | RTOs provide essential skills to both new entrants and existing workers. RTOs maintain strong engagement with industry to ensure their services remain relevant to the needs of employers, and graduates are job-ready. |
| Government | Confidence (especially in providers) to invest in training that contributes to a skilled Australian workforce. |
| Community | A VET sector that is viable for the long term and confidence that RTOs are delivering quality training and assessment that is highly regarded both locally and overseas. |
| Providers | A balanced approach to regulation to ensure high-quality training and assessment while allowing enough flexibility to encourage innovation. |

Source: ASQA (2015a).

## What are the enablers of, and barriers to, a system that meets the expectations of regulators?

The regulators work to facilitate and support a system that meets legislated expectations by enacting regulation and managing risks. The Regulatory Risk Framework provides the vehicle by which ASQA identifies and evaluates risks to the quality of VET at the macro (whole of sector) and micro (provider) levels. The use of data and intelligence to inform judgments about appropriate interventions is central to this regulatory approach (ASQA 2016a). Hence, the availability of relevant data and information is a critical enabler of a system that meets the expectation of regulators.

In contrast, a lack of timely data and information can be a barrier to the ability of regulators to identify and act on poor quality before the sector is adversely impacted. The frequency and quality of data and information required by the regulators is established by government policy, as set in the NVETR Act and its subordinate instruments, the Data Provision Requirements, the National VET Provider Collection Data Requirements Policy and the VET Data Protocol. NCVER provides ASQA with information in accordance with these policies and protocols and has also been able to respond to periodic requests for information and data on a case-by-case basis. A growing relationship between NCVER and the regulator is an enabler to building a higher-quality VET system. As noted earlier, ASQA has recently moved to a new student-centred audit approach, one that will draw information from a wide array of sources, potentially bringing risky behaviour to the regulator’s attention more quickly.

Swift regulatory action under the previous audit model was hindered by the multiple opportunities available for providers to rectify non-compliance before regulatory action was taken. Changes under the new audit model will support more timely regulatory actions (ASQA 2016b).

It should be noted that the regulators have inherited the current structure of the VET provider market. While regulators can set a high bar for new entrants, they have to deal with large numbers of existing RTOs that are diverse in size and geography. As noted in Korbel and Misko (2016), regulation of a system with such a high proportion of small and diverse providers is a challenge that requires sufficient resources together with a breadth of information.

## How effective and/or useful (to regulators) are any currently available measures of quality? What might be better?

Regulators need data that enable them to identify unusual provider activity. Their risk-based approach means they are attempting to identify and remove poor quality from the system, rather than measure high quality.

As mentioned briefly above, in 2017 ASQA implemented its new student-centred audit approach. To identify potential risks for this, ASQA draws information from a wide range of sources, including:

* complaints made
* training provider compliance history
* relevant media reports
* enrolment and profile data
* funding sources and amount of government funding
* intelligence from other regulators and agencies
* information from websites and social media.

As part of the student-centred audit approach, ASQA is introducing student surveys to collect information on the student experience (ASQA 2015b). In contrast to NCVER’s National Student Outcomes Survey, this survey will be conducted at the provider level and will include students who have enrolled in but not necessarily completed their training, including current students. The survey questions are very much targeted towards measuring elements that lend themselves to a quality VET experience for learners. The elements covered are:

* marketing and recruitment
* enrolment
* support and progression
* training and assessment
* completion
* overall satisfaction.

Because the data are collected at the RTO level, ASQA will have the capacity to identify providers who are falling short in one or more of these elements.

In terms of managing systemic risk in the system, environmental scans conducted by ASQA draw on a range of information sources, including:

* stakeholder consultation
* print and social media
* government and industry reviews and findings
* ASQA regulatory data
* intelligence from internal and external sources
* other external data, such as that from NCVER.

The use of data and intelligence to inform judgments about appropriate interventions is central to ASQA’s regulatory approach (ASQA 2016a). The quality and completeness of the data is, therefore, something of importance and interest to ASQA and the other regulators.

The reviews of both the *National Vocational Education and Training Regulator Act 2011* and VET data policy (explained below) are pertinent to enabling data and information needs to evolve in line with developments in the VET sector and the concomitant regulatory approaches. The strategic objectives of the review of the NVETR Act (Australian Department of Education and Training 2017c) include:

* shifting the regulatory framework towards outcomes-based regulation
* identifying any legislative changes needed to support a more efficient and risk-based approach to compliance
* enabling swift enforcement of sanctions when poor-quality training is detected
* ensuring adequate information is available to support VET consumers’ choices regarding training
* implementing administrative improvements to the NVETR Act.

The five terms of reference for the VET data policy review (Australian Department of Education and Training 2016d) are:

* the extent to which current administration and implementation arrangements of the Policy are contributing to its intended outcomes and results
* the effectiveness and suitability of current reporting timeframes and processes for data submitters and the users of VET data
* the effectiveness, suitability and impact of all current (and any proposed) exemptions for collecting and reporting total VET activity and Unique Student Identifier data
* the extent to which the current suite of documents provides clear and concise advice to all stakeholders on the collection, reporting, storage and disclosure of VET data, consistent with the need to provide as much information as possible to stakeholders whilst ensuring appropriate privacy protections are maintained
* whether any changes to the NVETR Act or *Student Identifiers Act 2014* would improve data regulation.

Together with resources, these reviews should result in improved data and information, both of which would be of value to ASQA and the other regulators in their work.

# Discussion

## Views of quality from ‘different hill tops’

The concept of quality in the VET sector has been much discussed in recent years, including in the public press, illustrating a broad interest in the topic. However, there has been an underlying assumption that everybody holds the same understanding of what ‘quality’ means. This paper tested this assumption.

Quality in VET can mean different things, but a common requirement is that the expected skills are gained after undertaking VET.

The initial plan in preparing this paper was to search the published literature for definitions of quality of VET for each of the five stakeholder groups of interest: learners, employers, training providers, government and regulators. However, this search showed there is very little in the literature that explicitly defines quality for any of these groups. Of the five groups, definitions of quality are best set out for government and regulators, reflecting the views of those two groups. It was more difficult to find definitions of quality for learners, employers and providers. Instead, there is a substantial body of indirect data and information that may represent quality components, but strong assumptions are required to make the leap to a definition.

To build a picture of what a quality VET system is for each stakeholder group, this paper presented some main points of interest for each group. Despite some of the different priorities identified, underpinning these is a common requirement that the expected skills are gained after undertaking VET. This is important for:

* *learners*: to help them to get a (better) job or for use in their current job
* *employers*: to address their skill needs
* *providers*: to facilitate good outcomes for learners and industry/employers
* *government*: to contribute to increases in employment (and other social benefits) and productivity
* *regulators*: to ensure that learners, employers and industry have confidence in the VET system.

So, at a minimum, an overarching definition of quality in VET is one based on the expectation that through their training learners do acquire the required skills. However, while there is this overlap between the five groups, this paper has shown that quality is context- and purpose-specific. The multiple purposes of VET signal that quality can mean different things, even within each of these stakeholder groups. These groups are not homogeneous and it is therefore unrealistic to expect that a subjective concept such as quality would be uniform.

To further complicate the matter, quality is also multilayered. It can be considered, for example, at the system level, the provider level, and the qualification or course level. The concept of quality will take on different connotations depending on the level of the system being considered. Additionally, the five stakeholder groups (and the people within them) are likely to focus on different levels, at different times. Therefore the quality of VET can look different and depend on the particular perspective, or ‘hill top’, from which it is being viewed.

What therefore are the implications of these different viewpoints? While there is some common ground, differing perspectives on VET quality prevail. This creates a challenge in designing a framework that addresses participant perceptions of quality (which serve to uphold reputation and trust in VET) and encompasses a battery of useful objective measures and indicators. The different viewpoints also beg the question of ‘whose view prevails?’ when decisions are made about improving quality by means of policy and practice reforms in the VET system.

The current reviews of the *National Vocational Education and Training Regulator Act 2011* and *VET Data Policy* focus on the data, functions, powers and effectiveness of the national regulator to uphold VET provider standards and quality more robustly. These important reviews will report soon and the outcomes have the potential to have a major impact. Apart from this legislative review, there are other specific initiatives that might be contemplated as having positive short- and long-term impacts on perceptions and objective measures of VET quality.

## Possible quality initiatives

The following describes possible quality initiatives. While the merit of each of these is debatable, their inclusion here is designed to address the breadth of the potential impact on perceptual and reputational quality, as well as improve data intelligence in support of improved objective measures:

* *Assessment*: underpinning most, if not all, the desired outcomes for all stakeholder groups is the assumption that learners, through their training, will gain the required skills. High-quality assessment is crucial to generating confidence in this process. The merits of greater ‘independence’ of assessment, and/or external validation, appear insufficiently tested. Additionally, consideration could also be given to the implementation of proficiency-based assessment. As highlighted by the Productivity Commission (2017), this would signal to employers how well an employee can perform a task rather than simply whether or not they can perform it.
* *Teaching workforce*: related to the point above, the teaching workforce needs to have the necessary teaching (and assessment) skills, as well as industry currency, to ensure that learners are competent in the skills for which they have been certified.   
  A better data-evidenced understanding of the professional standing and development of the VET teaching workforce would enable a focus on how this could be improved.
* *Market structure*: the number, diverse size and complexity of the current providers, as well the present skewed use of training products and qualifications, provide informational, operational and administrative overburden, not merely on regulators, but impacts on all participants. The market drift towards shorter courses and skill sets as a legitimate part of provider business models, and student/industry demand, will in time warrant further reflection on perceptions of quality.
* *Transparency and information overload*: the relationship between increased transparency and the availability of information, and the quality of the system, requires closer exploration. Information overload and uncertainty about information accuracy run counter to the theoretical benefits of transparency.
* *Data frequency and quality*: the frequency, quality and ease of collection of   
  well-standardised VET data and surveys enable closer to real-time access and release of information and intelligence (subject to legislation and policies) at provider and system levels. The present arrangements, especially frequency, are less than optimal.

## Measures of quality

Informed decision-making for all five of these stakeholder groups can be aided by relevant information (some of which reflects quality), presented in easy-to-understand and accessible forms. While views of quality are subjective, measures of quality are more objective and may be valuable to decision-makers. However, measures of quality are not perfect.

Developing robust measures of quality is a difficult task. The issues that have been identified in this paper include:

* most measures are highly aggregated, system-level statistics (still useful to some stakeholders)
* indicators assessed at ever-greater levels of disaggregation and based on smaller numbers of observations can lead to issues of statistical reliability (even deciding on the level is difficult) meaning that their signalling value is less reliable
* measures being based on subjective data (such as satisfaction) can be difficult to meaningfully interpret
* lack of data or lags in availability can reduce the value for advance decision making and planning phases.

Cedefop (2017) also points out some of the limitations of indicators, explaining that they can over-simplify complex issues and need to be read in context for valid interpretation (something that may be difficult for some stakeholders, depending on how complex information is presented). This can mean that other parties, such as regulators, play a key role and may need to enhance and communicate the translation of their meaning for those stakeholders (to ensure their interests are represented).

In 2003, Blom and Meyers reported that the fairly universally used measures of quality (internationally) include attainment, participation, progression, retention, success and completion. Other commonly measured indicators include the nature of the learners’ experience and the human, physical and financial resourcing. Other frequently used measures (but used less universally) include employment and other labour market outcomes, representation of minorities, outreach, access and equal opportunity. Some 14 years later, the same types of measures are still used and reflect the desired outcomes of students, employers and the economy as a whole.

There is an underlying assumption here that increased transparency, usually demonstrated through an expansion of available information, will directly translate into improved quality. This is not necessarily the case. This paper has highlighted that some stakeholder groups, especially students and employers, can be overwhelmed by the immense amount of information available on training options. In their discussion paper on the redesign of VET FEE-HELP, the Australian Department of Education and Training (2016c) raises the difficulty for consumers of navigating information relating to the cost, quality and reputation of providers, and how this, therefore, makes it difficult to substantiate marketing claims. This process can be even more difficult for people with low levels of literacy and numeracy skills. Hence, clear, sufficient-to-needs information, and ease of access, is paramount.

## Summary

To summarise, quality is not universal or uniform; rather, it must be seen from different perspectives, whereby:

* views are subjective
* ‘measures’ are more objective, but not perfect
* quality to students, employers or the economy is expressed through the desired outcomes and objectives of VET.

In conclusion, becoming aware of and assessing issues relating to quality (for example, negative views on the quality of VET) requires as a first step an evaluation of the ‘lens point’ of the source: their perception and knowledge of what quality means needs to be taken into account. Perception of quality and knowledge of quality are not necessarily the same thing.

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1. The National Student Outcomes Survey includes those who complete a full qualification, as well as those who complete at least one subject without gaining a full VET qualification (defined as subject completers). In 2016, 78.5% of subject completers fully or partly achieved their main reason for training. The survey does not include those who start and do not complete a subject (NCVER 2016a). [↑](#footnote-ref-1)
2. Employability skills (also known as generic skills, key competencies, transferable skills, core skills and soft skills) have been defined by the as ‘skills required not only to gain employment, but also to progress within an enterprise so as to achieve one’s potential and contribute successfully to enterprise strategic directions’ (Australia Department of Education, Science and Training, Australian Chamber of Commerce and Industry & Business Council of Australia 2002, p.3). They include communication, teamwork, problem-solving, initiative and enterprise, planning and organisation, self-management, learning and technology skills. [↑](#footnote-ref-2)
3. The study investigated 10 firms in three industries (red meat processing, road freight transport and freight forwarding). [↑](#footnote-ref-3)
4. Published as a companion piece to this paper, available at <https://www.ncver.edu.au>. [↑](#footnote-ref-4)