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Submission:

Auswide Colleges has not responded to all questions in the document. The attached note provides Auswide's comments to some questions, Auswide's comments are underlined.

Auswide Colleges is happy to provide further information if requested, particularly from a regional perspective.

Community Service Obligations (CSOs) to be paid on top of the base price to compensate TAFE NSW and approved ACE colleges for providing training in markets deemed as social obligations with low levels of demand and high operating costs. The Government refers to these as thin markets. We will identify and test the concept of thin markets to assist the Government in determining and directing CSOs. CSOs for thin markets should not include the additional costs to be recovered through loadings.

CSO should be paid to all Training Providers operating in thin markets, not just TAFE and ACE colleges.

1. Replicate where possible the outcomes that would be achieved in a competitive market by reflecting the efficient costs of training provision.

Competency based training provides a wide scope of delivery and assessment methods, which affect the cost of delivery. To ensure quality provision of training a minimum standard should be introduced to ensure efficiency and quality. For example, the Victorian experience seems to have attracted training delivery to the lowest denominator, with some Cert III courses reportedly delivered in a few days.

5 With reference to method 2 (map costs to UoC):

- What would be the best way to group UoCs? UoCs are already categorised into about 350 Fields of Education (FoE), and one option would be to use FoEs as the starting point for the UoCs groups for pricing purposes. It should be possible to combine FoEs that have similar course-specific costs, and in particular FoEs that have very small (if any) such costs. We note that South Australia uses FoEs to calculate VET subsidies to RTOs

Auswide Colleges agree with using FoEs as a starting point

- How should the methodology take account of different modes of delivery (ie, classroom based and flexible delivery)?

Flexible delivery should be paid at the same price as classroom based. Flexible delivery requires the trainer to 'deliver' in the workplace, assess work books and on-line work submitted by students. Often training is delivered to 'single' students in a flexible environment, particularly if it involves traveling and training in a student's workplace. This requires similar 'time' to classroom based training.

6 What student groups are more costly to train, and why? What additional costs are associated with providing training for these students?

In a regional environment, Indigenous students are more costly to train. Practically, transportation, meals and more 'hands on' training is more costly than conventional training. In many instances if the above is not provided Indigenous student find it difficult to continue attending training.

Students with low levels of Language, Literacy and Numeracy are more costly to train, primarily as it takes more time to deliver train in a manner that enables them to effectively learn.

9 What is the effect of the level of student fees on students' participation in VET, eg to what extent do the current fees influence participation? What effect might a hypothetical doubling of fees have?

Many students from the lower socio groups find it difficult to pay the current fee. If they are connected with a Job Services Australia (JSA) provider, the JSA often pays the students fee. If they are not connected with an agency that assists them, many do not participate in training.

19 How should government payments to Registered Training Organisations (RTOs) for delivering entitlement and purchased training be staged over the period required to complete the qualification or part-qualification?

Payments to RTO's should be structured to allow the RTO to cover all costs for delivery of training. Therefore 30% payment on commencement, 50% at the midpoint and 20% on completion would enable high quality delivery of training.

20 How should student fee payments be staged over the period of study?

Equally distributed over the length of the training

22 How often should the methodology for setting prices and fees for government funded VET be reviewed or re-estimated to ensure that students and taxpayers both continue to contribute an appropriate share of the efficient costs of providing VET?

As a minimum CPI increases should be included on a yearly basis. If CPI increases are accepted, then a review every 3 years would be appropriate.

23 How should base prices, student fees and government subsidies be adjusted in between reviews? What is an appropriate inflator for base prices? For student fees? For government subsidies?

Annual CPI increases.