



Southbound Adventures Pty Ltd

Submission to IPART Pricing VET under Smart and Skilled other industries Issues Paper April 2013

Southbound Adventures is a small business operating school outdoor education programs throughout NSW and to a lesser extent VIC, TAS and New Zealand. Outdoor Activities that we offer include bushwalking, abseiling, rock climbing, canoeing, mountain biking, high ropes, adventure based learning, caving and sea kayaking. Our team is comprised of 17 permanent staff and we annually employ up to 50 casual staff. Southbound Adventures have been in business since 1993.

We currently experience staff shortages due to a shortage of prospective employees available and especially those with relevant qualifications. Our concern is that the Smart and Skilled reforms will further cut this supply.

Question 4. With reference to method 1 (map costs to industry groupings): How should we deal with 'outlier' courses and qualifications, where the costs are significantly above or below the base price?

We would disagree with the use of an average cost per course based on industry areas as this has the potential to inaccurately cluster industries together. A simple example of this:

- the notional hours listed for outdoor recreation certificate III are between 717 and 1000
- the notional hours for the certificate III in fitness is 350

There is up to 650 hours of difference!

A second challenge is the high teacher/student ratios required, which affects costs greatly. An example would be multi-pitch rockclimbing units of competency where teaching and delivery ratios for teaching are maximum one teacher to four students (1:4) and this ratio then falls to one assessor to one (1:1) student for assessments at based on the risk, complexity and the environment. Comparing this to Fitness, the normal class ratio is 15 students to one teacher for assessment (1:15).

Would linking funding to training package hours and staff/student ratios be worth considering? Including notional hours assigned to skills sets with a dollar per hour rate determined by a methodology of student to teacher ratio, reasonable material and consumable costs and a model that allows for variables for particular industries or training package rules?

We are very concerned that these costly skill sets will be abandoned by RTO's and they will not deliver those skill sets that industry actually requires (as opposed to those that are cheap to deliver). This would have the potential to impact on both service delivery and safety in the outdoors, as RTO's attempt to cut costs by reducing practical hours in the field.

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

Funding should be the same for all modes of delivery to allow for each RTO to best deliver according to their own market and environment. (particularly relevant for Outdoor recreation studies)

How can any adverse effects arising from base prices that reflect an average cost within an industry group be addressed (eg, service quality implications)?

Evidence based funding changes verified by industry experts *not by RTO's* seeking additional funding. Make sure this is accurately linked to industry needs in local areas, talking to peak bodies for training packages (eg Outdoor Recreation Industry Council).

Question 5. With reference to method 2 (map costs to UoC): What would be the best way to group UoCs?

Broadly grouping UoC's into areas such as "sport, fitness and recreation" is too simplistic and would be totally destructive to outdoor recreation which is very different to Sport and Fitness both in employment and training. Industry peak bodies and skill councils should determine any outlier skill sets, units of competency and exceptional areas like outdoor recreation that require higher base funding and or course hours from the industry groupings. Again, evidence should be sourced and verified by industry experts *not RTO's seeking additional funding*.

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

Outdoor Recreation costs more to train than other sport and recreation qualifications because:

1. Student to teacher assessment ratios and contexts for assessment (eg high risk environments like cliffs or natural waterways) drive the cost of delivery.
2. Some training package rules directly affect the costs as they require RTO's to assess multiple times in remote settings with small student to teacher ratios.
3. The level of risk associated with a skill based unit may also impact the cost of training and assessment. If the competency has a high level of practical or complex skills (like abseiling or rock climbing for example) then RTO's must assess all components.
4. There is often a learning/skill progression in outdoor recreation. A student cannot be a caving guide for example until they have mastered many base skills (vertical mobility, single pitch abseiling, and multi pitch abseiling). It takes time for the appropriate skill progression for students to enable them to be deemed safe prior to a point where RTO's can assess them, hence the costs are larger.

7 Regarding thin markets: – What training markets are likely to have low levels of demand and high operating costs (these markets may be defined geographically, by occupation or demographically)?

Outdoor Educators work within the Outdoor Recreation umbrella and this is an occupation where there is a small, specialized, but growing market with high job vacancies and high employer demand. Due to the nature of activities being run we are required for safety reasons and industry standards, to run with high staff ratios, therefore increasing our operating costs dramatically. To continue to supply opportunities for schools to receive outdoor programs beyond the classroom, we believe that Outdoor Recreation should be identified as a specialised course that requires a higher level of funding. This will ensure an appropriate pool of qualified staff, trained in the appropriate skill sets at the required Certificate 4 level are available for the community, industry and local economies. It would be of great concern for under trained and qualified staff to be managing an abseil site as an example!

– Should we test for a thin market by using the difference between the cost per student and the base price (plus loadings) expressed as a percentage?

This approach could work, as I believe that Outdoor Recreation will have a very high percentage difference due to the nature of training as mentioned earlier and student to teacher ratio's will be high.

– If so, what is the appropriate threshold of cost in excess of the base price (plus loadings) do you think is appropriate? – What other test should we consider?

Funding should be enough to allow effective course delivery by RTO's. I understand that funding is limited so perhaps a cap of positions based on industry demand would work?

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?

And

10 What is the impact of any capacity to pay and/or credit constraints faced by students or prospective students?

Outdoor Recreation has a high rate of casual employment and a lower pay rate than many other industries. Southbound Adventures has recently increased the numbers of permanent staff from 11 to 17 as part of our measures to address this. We have also dramatically increased our training budget for our permanent team. However we still require a large number of casual staff and due to the nature of our operation a Certificate 4 is the minimum requirement for the majority of our team due to our operating in Wilderness locations.

Certificate 3 and 4 in Outdoor Recreation in NSW has been subsidised in the past, and without this government funding support Outdoor Recreation course costs are likely to dramatically increase, putting the course well out of reach of most students in the first place, and making it highly unlikely (even if they could pay for it up front or receive credit/loans) that those students will recoup the costs of their training once employed for many years.

Another factor to consider is that we require staff that have 4 or more skill sets, and since the training package typically only requires students to complete 2 (or sometimes 3) skill sets to get their qualification, students have to pay extra fees to get extra skill sets to be employable. As an example, we require staff to have a certificate 4 in outdoor recreation with skill sets in bushwalking, abseiling, canoeing and one other from our list of activities. Since the student has already completed a full certificate, they are typically ineligible for any government subsidies to complete this training and have to pay full commercial rates for this training. And because of the very high teacher to student ratios for this course (1:2 for some skill areas on assessments that take up to 8 hours) the cost of delivery for outdoor recreation skill sets is very expensive and students are highly unlikely to be able to afford this, even with employer support.

Kind regards,

A handwritten signature in black ink, appearing to read 'Andrew Banner', with a long horizontal stroke extending to the right.

Andrew Banner
General Manager