



Template for submissions to the *Quality of assessment in vocational education and training – Discussion Paper*

Key consultation areas

The Department of Education and Training (the department) seeks stakeholder input on the *Quality of assessment in vocational education and training – Discussion Paper* (the discussion paper). The paper covers the following broad themes to improve assessment in vocational education and training (VET):

Chapter 1: Foundation reforms

- ensuring the requirements for VET teachers and trainers provide the strongest platform for high-quality assessment
- ensuring those teaching VET skills are highly competent professionals with high-quality, contemporary skills in assessment.

Chapter 2: Reforms to the assessment of VET students

- assuring the quality of assessment through industry engagement with assessment review and control mechanisms as a gatekeeper before qualifications are issued
- ensuring employers have clear and realistic expectations of VET graduate capabilities which align with the assessment of students.

Chapter 3: Reforms to the regulatory framework

- improving the detection of poor quality assessment
- ensuring quick action can be taken against registered training organisations (RTOs) delivering inadequate assessment
- managing the consequences of inadequate assessment by removing invalid qualifications from the system where necessary and supporting students if this occurs.

How to provide feedback

To support the Training and Assessment Working Group to provide the Australian Government Minister for Vocational Education and Skills with recommendations on how to improve assessment, stakeholder consultations will begin with the release of the discussion paper in January 2016 and continue through to Friday 11 March 2016.

Respondents may provide feedback on some or all of the discussion paper's themes. To assist with the compilation and analysis of the views of all stakeholders, respondents are encouraged to provide feedback via this preferred submission template, with attachments as required. Submissions in alternative formats will also be accepted.

All written submissions to the discussion paper and queries on the consultation process may be directed to the department via email at trainingpackages&VETquality@education.gov.au.

All written submissions will be made publicly available on the department's website, unless respondents direct otherwise. See the [terms and conditions for public submissions](#).

Submission details

1. Submission made on behalf of: Individual Organisation
2. Full name:
3. Organisation (if applicable):
4. Please indicate your interest in this discussion paper:
(i.e. as a student, VET practitioner, RTO, third-party provider, peak body, business, industry representative, regulator or other government agency or community member)
5. Do you want your submission to be published on the department's website or otherwise be made publicly available? Yes No
 - a. If yes, do you want your name and organisation (if applicable) to be published alongside your submission, OR would you like for only your submission to be available and your details kept anonymous? Published Anonymous
 - b. If no, please advise the department upon submission that you do not want your submission to be published or otherwise be made publicly available.

Thank you for the opportunity to respond to the 'Quality of assessment in VET – Discussion Paper' on behalf of the members of the Enterprise Registered Training Organisation Association (ERTOA).

There are around 250 enterprise RTOs (ERTOs) currently registered across Australia.¹ The business objectives and operational frameworks of ERTOs are distinctly different from those of TAFE Institutes and private provider RTOs. ERTOs themselves are also markedly different to each other - ERTOs are found across the full range of industry sectors – retail, financial, transport, manufacturing, mining, government, energy, community services, volunteer, public safety and health. Characteristic features of ERTOs include:

- a) The RTO is embedded as a function rather than an entity within the enterprise;
- b) The core business of the enterprise is not the delivery of training and assessment services;
- c) ERTOs vary widely in terms of size – i.e. the number of employees in the enterprises currently registered as ERTOs ranges from several hundred to more than 100,000;
- d) ERTOs combine the training provider and student employer roles in the one organisation;
- e) The employees of the enterprise are the primary target population for the services the ERTO delivers. The accredited training is provided free of charge to employees;
- f) The primary recipients of the accredited training delivered by an ERTO are the 'front-line' employees of the enterprise (e.g. production line operators, call-centre operators, front-counter employees etc.). The content of the accredited training delivered by the ERTO closely reflects the core business of the enterprise;
- g) The accredited training delivered to new recruits and entry level employees is typically integrated with the induction/'on-boarding' program employees are required to complete following recruitment;
- h) The accredited training delivered by ERTOs, and the qualifications they issue, are predominately at the AQF Certificate II and Certificate III levels. A recent national survey² reported that 71% of the total number of qualifications issued by ERTOs across Australia were at Certificate II or Certificate III level;
- i) In the typical enterprise registered as an RTO, accredited training represents a minor component of the total training delivered by the enterprise to its workforce (typically 15% or less);
- j) Consistent anecdotal evidence suggests ERTOs potentially contribute 15% to 20% of the total annual VET activity in Australia.³ Much of this contribution was previously unreported in the national VET data collection; and
- k) ERTOs are now the primary source of the specialised vocational training required to prepare employees to operate effectively in a number of key Australian industries. For example, the majority of electrical supply industry enterprises across Australia are now registered as ERTOs. The significant cost of providing the specialised equipment, facilities and trainers required to support this training is met by industry rather than through the various types of government funding provided to TAFE Institutes, private providers and their students.

ERTOA members strongly believe in the value of a flexible regulatory framework for VET that encourages the design and delivery of training and assessment services customised to meet the

¹ See reference at www.training.gov.au.

² 2011 national profile survey of Australian ERTOs published by ERTOA in December 2011.

³ Productivity Commission Research Report 'Vocational Education and Training Workforce (April 2011), Table 2.4, Page 20.

needs of individual students and employers. However, within this flexible framework all RTOs must demonstrate compliance with an agreed minimum quality standard for the assessment of competency, irrespective of how the competency was developed. Confidence in the quality of training outcomes for competency-based training is built upon confidence in the validity of the assessment processes used to confirm the required competency has actually been achieved.

ERTOA members believe the current VET regulatory framework focuses excessive time and resources on the detailed audit of training input documentation on the assumption that compliance here will result in quality training outcomes. This approach has clearly not worked. ERTOA strongly believes the regulatory framework needs to change its focus onto ensuring compliance with agreed performance standards for competency assessment if it is to be more effective in ensuring the quality of VET outcomes.

ERTOA's formal response to the Discussion Paper is informed by its previously expressed views on three key issues we feel are relevant to, and impact upon, the quality of assessment in VET. These are:

2. Defining 'industry engagement'

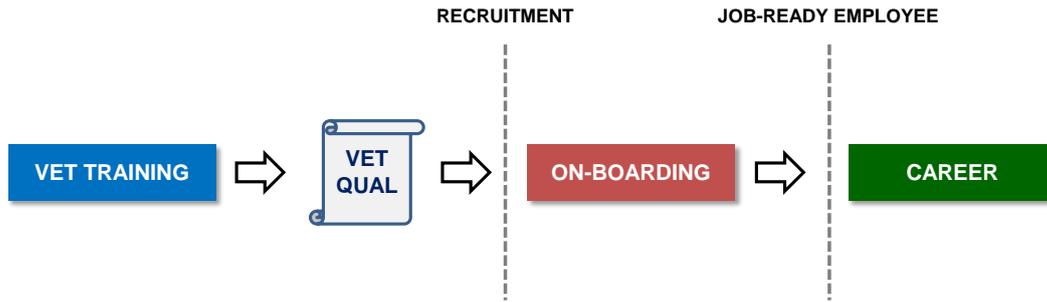
The terms 'industry' and 'industry engagement' appears throughout this and other recent discussion papers without any clear or specific definition of its meaning. As a consequence individuals have assigned their own subjective meaning to the term, and this meaning will differ widely amongst individuals. Terms such as 'industry-directed VET', 'industry-defined qualifications' and 'industry-input' are broad statements of intent rather than statements of specific meaning. Of course VET should be 'industry-led' but, in the absence of an agreed definition of 'industry', the processes for directly engaging industry in VET activities, including validation of assessment remain vague and poorly focused.

ERTOA members believe it is unrealistic to expect industry to have expertise in the design and application of competency assessment systems.⁴ This is clearly the preserve of the professional trainers and assessors employed by training providers. Industry certainly knows and understands what knowledge and skills are required for an efficient and effective workforce. However, this is essentially a human resource management expertise typically applied to the development of accurate duty statements, work instructions and related documentation, and the monitoring and measurement of employee job performance.

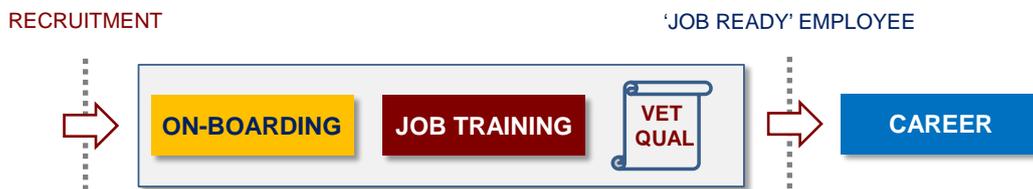
3. The myth of 'job-ready' VET graduates'

ERTOA members have a common view that many employers have an unrealistic expectation that a VET graduate will be job-ready and immediately effective in performing their job upon recruitment. In reality employees are not job-ready at the point of recruitment. New recruits will require additional training to learn how to operate the specific equipment associated with their new job, to understand and follow the business processes of their new employer and absorb the business culture. It is this induction/on-boarding training that finally results in a job-ready employee (see diagram on following page).

⁴ *An assessment system is a coordinated set of documented policies and procedures (including assessment materials and tools) that ensures assessments are consistent and are based on the Principles of Assessment 1 and the Rules of Evidence.*



The diagram below illustrates the training model commonly implemented by ERTOS. In this model a new employee develops the knowledge and skills required to perform their assigned job role via a post-recruitment training program. The associated qualification is only issued after the employee have demonstrated competency in performing their assigned job role in the workplace to the standards specified in the Training Package and required by the employer.



The experience of ERTOA members strongly suggests that many employers expect the VET training provider to deliver the 'on-boarding' training as part of the qualification, and when this does not happen they often express dissatisfaction with the quality of the training and/or VET graduate. This dissatisfaction also leads to pressure from more influential employers and their associations for the inclusion of additional site-specific content in the Training Package to effectively customise it for their own particular needs. In our view this tendency towards increasingly prescriptive site-specific content has contributed to the complexity and inflexibility that now characterises most Training Packages. ERTOA has consistently argued that the concept of a constructing qualifications in two parts should be actively investigated – the two parts are:

- Generic content – nationally recognised and transferable across employers
- Site-specific content – nationally recognised but non-transferable across employers

Such an approach would have immediate impact upon the design of processes for the validation of assessment systems.

4. National recognition and 'transferability' of qualifications

The essential characteristic of the national VET system, and its major benefit, is the transferability of VET qualifications. For business enterprises, especially those with multi-State operations, the importance of national consistency and transferability of qualifications cannot be overstated. However, the degree of transferability is very dependent upon striking an appropriate balance between generic and site-specific content associated with the qualification. This is a very interesting aspect of VET training that sometimes leads to accusations that VET training delivered within a particular enterprise is 'over-contextualised'.

Clearly it is neither efficient nor sensible to expect any VET provider to deliver training and assessment that covers all of the potential site-specific content associated with the various

employers a student may encounter when they seek employment or change jobs. For example, an RTO delivering a Certificate III qualification in crane operation would not reasonably be expected to train and assess students to operate the full range of cranes used by potential employers. In this sense the site-specific content is not transferable. However, what is more important for transferability of the qualification is content that develops;

- the essential generic underpinning knowledge and skills needed to enable the student to achieve the more specialised knowledge and skills required to perform a job to the standards required by their employer;
- the student's understanding of the broad features and requirements of job type they are seeking; and
- the ability to adapt and apply their existing skills and knowledge as needed for a particular work place.

These are the essential generic skills needed to enable the student to quickly learn and adapt to the new site-specific requirements when they gain employment or change jobs.

ERTOA believes that recognition of the practical impact of these three key issues would provide a sound starting point for developing effective strategies for ensuring the quality of assessment in VET.

Industry, through the relevant IRC, determines the generic knowledge and skills required for a specific job type and documents these in the Training Package. The generic nature of the knowledge and skills means that they are relevant to all workplaces where the job is performed – this presents an opportunity for a nationally consistent competency assessment system for determining achievement of the knowledge and skills. It is ERTOA's view that the assessment system for the generic knowledge and skills should be a core component of the Training Package documentation, at least for Units of Competency regarded as 'high risk'. All RTOs delivering that training package would be expected to use the specified 'standard' assessment system for the generic component rather than having each RTO develop its own assessment system. This would remove the need for external validation of the assessment system. Use of the standard assessment system should not be mandated - if an RTO decided to develop its own assessment system then it would be expected to provide evidence to demonstrate how it ensures the validity of its assessment system.

The site-specific knowledge and skills required to perform the job at a specific work-site, and to the standards applicable to that work site, will vary from site to site. These would be documented in the Training Package using some form of flexible Unit/Units of Competency that require 'demonstration of an ability to apply the skills and knowledge in a workplace to the agreed industry standards for that job type' (i.e. demonstrate competency in the workplace). One clear advantage of this approach is that the full qualification would only be issued once the individual has demonstrated competency in a real workplace for a defined period (say six months for a Cert IV). Employers certainly know and understand what knowledge and skills are required for an efficient and effective workforce. Confirmation by an employer that an employee is able to perform their job competently is a very effective validation of the training and assessment system that prepared that employee to undertake that job.

ERTOA recognises that a significant proportion of students completing some qualifications do not go on to gain employment in the job type/industry associated with the qualification. It also recognises that TAFE Institutes and private providers would be very reluctant to adopt a requirement that the issue of a qualification can only occur once the student has gained employment and demonstrated competency in the workplace. ERTOA also accepts that it is very unlikely that Training Packages will be restructured in the manner described above. However, enterprise RTOs are unique amongst RTOs in that they combine the training provider and student employer roles in the one enterprise. This provides ERTOs with significant advantages in the delivery of customised, relevant training and the design of valid and effective assessment systems.

ERTOA members hold strong concerns (based upon previous experience) that the Discussion Paper will result in strategies for improving the quality of VET assessment primarily targeted at TAFE Institutes and private providers - strategies that include mandatory compliance requirements for all RTOs that are not relevant to the enterprise training model, and which result in 'unintended negative consequences' for quality ERTOS. This concern is reflected in the ERTOA responses to the fourteen questions contained in the Discussion Paper.

Chris Butler

ERTOA President

10th March 2016

1. Discussion questions – RTO limitations:

- Is it appropriate for relatively large numbers of RTOs to deliver TAE qualifications or skill sets? Should the number be reduced to a targeted number of RTOs focusing on high-quality provision?
- Should RTOs be restricted from issuing TAE qualifications or skill sets to their own trainers and assessors?
- Are TAE qualifications and skill sets so significant that evidence of competence should not—or cannot—be appropriately demonstrated via recognition of prior learning?
 - Is recognition of prior learning for TAE qualifications or skill sets granted with sufficient rigour to ensure the quality of student assessment? Should the practice be restricted?
- Are there opportunities to improve the assessment skills of the VET workforce through changes to the delivery and assessment of TAE qualifications and skill sets?
 - Should TAE qualifications and skill sets only be delivered by VET practitioners who can demonstrate a specific period of training and/or assessing employment history in the VET sector?
 - What circumstances would support a change requiring some VET trainers and assessors to hold university-level or higher-level VET qualifications, for example, practitioners delivering and assessing TAE qualifications and skill sets?
 - Should the TAE Certificate IV and/or Diploma require a practical component? If so, how long should the practical component be?
 - Should entrants to the TAE Diploma be required to demonstrate employment history in the VET industry before being issued with the qualification? Would this condition help to improve the relevance and validity of assessment? How long would this period of time be?

COMMENT:

- Very few enterprise RTOs (ERTOs) have TAE qualifications or skill sets on their scope of registration. Amongst the current ERTOA membership only four ERTOS have the TAE qualifications or skill sets on their scope of registration – Defence, Qantas, various State Surf Life Saving Branches and the Australian Public Service Commission. This represents around 5% of ERTOA members. ERTOA generally recommends that ERTOS do not deliver TAE qualifications or skill sets to their employees (unless they have a compelling reason to do so) because training and assessment is not the core business of the enterprise within which the ERTTO is embedded. Most ERTOS engage external providers to deliver this type of training on an ‘as-needed’ basis.
- The common experience of ERTOA members engaging external providers to deliver this type of training is that the quality of the training and assessment services delivered varies widely – there is a view that there are a lot of ‘dodgy operators out there’!
- ERTOA believes there is no compelling reason to limit the number of RTOs delivering TAE qualifications or skill sets to some arbitrary maximum number. However, ERTOA members would strongly support a more rigorous approach to the processes and requirements RTOs must satisfy to allow them to add TAE qualifications or skill sets to their scope of registration. Much care would need to be taken in the design of a more rigorous approach to avoid an inflexible, one-size-fits-all approach which could result in an unintended negative impact upon the small number of ERTOS currently achieving quality training outcomes in this area. For

example, a requirement that all trainers and assessors involved in the delivery of TAE Units of Competency must hold university-level or higher-level VET qualifications

- If RTOs delivering TAE qualifications or skill sets have satisfied a registration/compliance process that ensures high quality provision then ERTOA believes there is no compelling reason to restrict RTOs from issuing TAE qualifications or skill sets to their own trainers and assessors.
- ERTOA are generally very wary about RPL as a workforce development tool, especially where competencies associated with high risk jobs and workplaces are involved. There is a view amongst ERTOA members that RPL processes for TAE qualifications or skill sets offered by some RTOs lack sufficient vigour in the collection and evaluation of sufficient and relevant evidence– and in some extreme cases the TAE qualifications or skill set is effectively 'for sale'!
- ERTOA members would strongly support a proposal that requires completion of a significant practical component before a TAE Certificate IV was issued. A number of members have suggested some form of formal follow-up evaluation by ASQA of graduates 6 to 12 months after completion of the qualification.

2. Discussion questions – skills and qualifications of trainers and assessors:

- Should the TAE Certificate IV be changed to a core unit on the design and development of assessment tools? How would this improve assessment outcomes for students?
 - Should the core unit be the existing *TAEASS502B Design and develop assessment tools* unit of competency? Are there alternative approaches, such as developing a new unit on the design and development of assessment tools?
 - Is the *TAEASS502B Design and develop assessment tools* unit of competency a specialist unit that should only sit at the diploma-level on the basis the Certificate IV is currently designed for delivery to new entrants seeking to be trainers and assessors?
- In the case of making any updates to the TAE, is it appropriate to form judgements based on majority considerations? Or is it too risky to do so? Is it a better basis for decision makers to give strong weight to key stakeholders and the nature of the argument put forward?

COMMENT:

- ERTOA members strongly believe that the current TAE Certificate IV is an appropriate entry-level qualification for VET trainers and assessors if delivered and assessed to the standards specified in the Training Package.
- The existing *TAEASS502B Design and develop assessment tools* unit of competency should definitely not be added as a core unit requirement for the TAE Certificate IV. It is a specialist unit relevant to trainers and assessors whose job role specifically includes the design and development of assessment systems. Members report that the majority of enterprise assessors (typified by trades persons who train and assess as a small component of their job specification) have job roles that limit their engagement with assessment to the application of assessment systems that have been designed and developed by someone else in the enterprise with the relevant depth of skills and knowledge.
- Responsibility for decisions on updates to the TAE surely rests with the relevant IRC. ERTOA members would be very uncomfortable with any proposal that reduces the authority of the IRC in determining the knowledge and skills required to demonstrate competency in this important industry sector.

3. Discussion questions – benefits and purpose of a VET professional association:

- Is there a need to establish a national professional association for Australia's VET system?
 - Specifically, is there a clear role for Australian governments in assisting the development of professional skills of the VET workforce by funding a professional association?
- What are the barriers to establishing a national professional association? How could these be overcome?
- What would be the most useful guiding purpose of a national professional association?

COMMENT:

- ERTOA members are strongly opposed to any proposal to establish a national professional association for VET trainers and assessors. This has been a consistent view of the membership over recent years. The proposal to establish a national professional association has been raised a number of times over the past five or six years but there has been no move to implement a national professional association for VET trainers because arguments about its potential cost and impracticality have been difficult to refute.
- ERTOA members are very surprised to see this proposal raised again as a potential solution to the adverse quality of assessment in VET issues identified and reported in recent times by ASQA. They strongly reject the mandating of membership of a specific national professional association as a pre-requisite to being employed to deliver VET training and assessment services. There are a number of existing associations which provide a wide range of professional development activities and support for VET trainers and assessors. The Australian VET workforce is significantly heterogeneous and the current existing 'specialist' associations have been created to address the great variety of support and development needs found within this disparate workforce. It is difficult to see what additional benefits will be provided by the creation a single national association to which all VET trainers and assessors must belong.
- ERTOA members have expressed concern that membership of a national professional association as a pre-requisite to employment as a VET practitioner will allow regulators to apply more rigorous compliance requirements to the VET workforce. This is because the association membership eligibility rules will become the defacto minimum 'qualification' requirements for a VET trainer rather than the requirement specified in Schedule 1 of the Standards for RTOs (2015) – i.e. possession of the TAE Certificate IV qualification or skill set. This could allow the specification of ,for example, a minimum level of practical workplace experience as a VET practioner for membership without having to modify the packaging rules for the TAE Certificate IV qualification.

4. Discussion questions – potential activities of a VET professional association:

- What activities would be most beneficial for a national professional association to undertake? For example, would it:
 - coordinate, approve or design professional development programs

- develop capability frameworks
 - positively promote the profession of VET trainers and assessors as an employment destination and career path to attract professionals
 - act as an advocate and voice for VET trainers and assessors
 - interact with industry to respond to their emerging needs
 - register VET practitioners?
- What advantages would there be to conducting these activities at a national level rather than through existing professional development undertaken through membership of existing groups, or that which is currently organised by RTOs?
 - Are there any existing organisations that could fulfil this role?

COMMENT:

- There are a range of existing national professional associations that already provide some or all of these activities in programs designed to meet the professional development needs of the various sectors of the VET workforce.
- ERTOA strongly believes that the existing associations and the services they provided should be comprehensively catalogued and reviewed before any decision is made on the creation of the proposed national professional association for Australia's VET system national

5. Discussion questions – models for a VET professional association:

- Which of the suggested models for a VET professional association would be considered most preferable and viable in the current VET environment? Model A,B or C?
- What value would a VET professional association, or associations, add to the VET sector?
- What mechanism would sustain a professional association, for example, membership fees from individuals or RTOs?
- Should VET teacher and trainer membership with a professional association be mandatory or voluntary?

COMMENT:

- ERTOA members do not agree that a convincing case has been made for the establishment of a single national VET professional association. Models B and C are strongly rejected whilst it is not clear that any benefits generated by Model A would justify in practice the significant additional 'red tape' complexity and costs as compared to the currently existing professional associations.
- Mandatory membership of a VET professional association for trainers would provide VET regulators with yet another 'input' compliance requirement checkbox based upon an assumption that membership will result in quality training and assessment outcomes. It is ERTOA's strong view that the limited regulatory resources currently available should be used to develop and implement strategies to monitor and evaluate the actual training and assessment outcomes of RTOs to ensure the required quality standards are met.
- ERTOA members do not support the mandating of professional association membership as a pre-requisite to being employed as a VET trainer and assessor.

6. Discussion questions – capability frameworks:

- What can be learnt or applied from the capability frameworks that have been developed or are currently being developed?
 - Is there an opportunity to make better use of these frameworks, irrespective of proposals to develop a professional association?

COMMENT:

- The existing capability frameworks (such as that developed by IBSA) are well regarded and have been used by members of ERTOA for the development of duty statements and the design of professional development programs for enterprise trainers and assessors.
- Many Australian business enterprises have developed comprehensive in-house capability registers which are used to define the various job roles undertaken by their workforce. These enterprise registers include the capabilities required of enterprise trainers involved in the enterprise's workforce development programs. These enterprise capability registers are often seen to be more relevant to enterprise trainers than those designed for 'VET professionals' working in TAFE Institutes or private provider colleges.
- There is probably a case to be made for better marketing and promotion of existing capability frameworks – with emphasis upon the cost benefits accruing to RTOs implementing them

7. Discussion questions – increasing industry confidence:

- Are there alternative approaches not covered in this discussion paper on how industry can increase engagement with the conduct of assessment, but not specifically the validation?
- Are there other ways to ensure industry confidence in assessment without requiring independent validation of assessment? For example, are industry-endorsed, externally administered tests a practical alternative to ensure that VET graduates are competent?
 - What would be the benefits and drawbacks in requiring such tests? Under what circumstances would they be mandated, for example, for particular student cohorts? Should these be specified in training products?
 - Who should regulate the tests?
 - Should such a test be a pass/fail dichotomy, or would it be more important to use the test to identify gap training?
 - Is the concept of an externally administered test, such as a test required before receiving a qualification, inconsistent with the premise of a competency based VET system?
 - Should the results of tests be made public at the RTO level?

COMMENT:

- ERTOA strongly believes that employers (industry) have unrealistic expectations about the 'job readiness' of an individual who has successfully completed a VET qualification (See earlier comments on page 4). There is a clear need to manage these expectations as part of any initiative to ensure higher levels of industry confidence in the competency of VET graduates.
- ERTOA's experience working with many of Australia's more successful business enterprises strongly suggests that business enterprises do not have the professional expertise or resources to make a meaningful contribution to the design and validation of assessment systems. The recent external validation of assessment pilots have clearly confirmed this observation.
- Industry certainly knows and understands what knowledge and skills are required for an efficient and effective workforce. However, this is essentially a human resource management expertise typically applied to the development of accurate duty statements, work instructions and related documentation, and the monitoring and measurement of employee job performance. ERTOs know well that the most effective validation of assessment is the satisfactory performance of the job for which the student/employee has been trained and assessed for competency. Perhaps the government policy makers could consider piloting selected high-risk programs in which the qualification is only issued after the student has actually gained relevant employment and has demonstrated the ability to perform the real job to the standards required by both the Training Package and the employer.
- Information about the success (or otherwise) of RTOs in producing VET graduates who gain employment in the industry for which they have been trained and perform their jobs well should definitely be made public.
- As mentioned in earlier comments ERTOA sees industry being most effectively engaged in the design of assessment systems primarily through the relevant IRC. It is ERTOA's view that the assessment system for the generic knowledge and skills should be a core component of the Training Package documentation, at least for Units of Competency regarded as 'high risk'. All RTOs delivering that training package would be expected to use the specified 'standard' assessment system for the generic component rather than having each RTO develop its own assessment system. This would remove the need for external validation of the assessment

system. Use of the standard assessment system should not be mandated - if an RTO decided to develop its own assessment system then it would be expected to provide evidence to demonstrate how it ensures the validity of its assessment system.

- ERTOA strongly rejects any proposal for the generalised implementation of externally administered tests beyond the external regulatory/licencing/authorisation tests currently applied in some high-risk worksites. In practice it would be very difficult and costly to manage and administer such a test regime and it would certainly be very open to abuse unless very rigid and inflexible procedures were applied. This would have a significant negative impact upon the flexibility that a competency-based system can provide for meeting the needs of students and employers.

8. Discussion questions – the role of industry in assessment:

- What role should industry, for example, employers and industry organisations, play in validation of assessment? Does the varied interpretation of 'industry' inhibit a proper appreciation of the topic and should it be defined? If so, who would best define 'industry' when considering the practice of validating assessment?
- Do employers or industry groups have the skills required to fulfil this role in validating assessment? Is assessment such a specialised skill that industry and employers either do not want to get involved or should not get involved?
- Is there a need to build industry capacity and capability regarding involvement with training and assessment? If so, how might this be done?
- How can we ensure engagement with industry is appropriately targeted so it does not add undue burden and is targeted to those within industry with appropriate expertise required for validation of assessment?

COMMENT:

- Enterprise RTOs are unique amongst RTOs in that they combine the training provider and student employer roles in the one enterprise. This provides ERTOs with significant advantages in the delivery of customised, relevant training and the design of valid and effective assessment systems (see previous comments on page 3). For this reason ERTOA strongly believes that defining a role for industry in assessment validation is not an issue of concern for ERTOs because that role is already clearly defined in the enterprise training model.
- ERTOA recognises that a significant proportion of students completing qualifications in TAFE Institutes and private providers do not go on to gain employment in the job type/industry associated with the qualification. It also recognises that TAFE Institutes and private providers would be very reluctant to adopt a requirement that the issue of a qualification can only occur once the student has gained employment and demonstrated competency in the workplace.
- However, ERTOA members hold strong concerns (based upon previous experience) that the Discussion Paper will result in strategies for improving the quality of VET assessment primarily targeted at TAFE Institutes and private providers - strategies that include mandatory compliance requirements for all RTOs that are not relevant to the enterprise training model, and which result in 'unintended negative consequences' for quality ERTOs.

9. Discussion questions – specific models:

- How can independent validation be best applied to avoid a 'one size fits all' approach? For example should independent validation of assessment be triggered by:
 - improving RTO practice, for example, through a principles based model and best practice guide to support the VET workforce in identifying the most appropriate technique to validate assessment
 - mandatory requirement to lift quality in specific instances, for example, where a qualification is identified as high-risk
 - funding requirement, for example, independent validation of assessment could become a requirement for RTOs seeking to access government funding.
- Should there be an increased role for external assessment by industry, and in which situations? For example, should it be mandatory for certain industries where there is a concern for public safety if a learner is incorrectly deemed competent?
- If independent validation of assessment is to be risk-based, then what factors should be considered in the assessment of risk, for example, public safety, RTO profile, student cohort?
- Should high-risk student cohorts be required to undergo independent reassessment of industry-agreed sets of competencies before being issued with their qualifications?
 - For example, particular qualifications; students undertaking qualifications with RTOs with high levels of non-compliance; or that conduct assessment wholly online or on-the-job; or in areas of public safety.
- Would the burden be too great if independent reassessments were required for an entire student cohort, and should independent reassessment apply to a sample of students instead? If so, how could such a sample be chosen?
- Who would be most appropriate to oversee the reassessment of qualifications?
 - For example, could existing regulators or other organisations (such as firms that specialise in assessing students) take on this role?

COMMENT:

- See previous comments at Question 8.
- ERTOA believes that these questions are not relevant to ERTOs and the enterprise training model for the reasons discussed earlier in this submission.
- However, ERTOA members hold strong concerns (based upon previous experience) that the Discussion Paper will result in strategies for improving the quality of VET assessment primarily targeted at TAFE Institutes and private providers - strategies that include mandatory compliance requirements for all RTOs that are not relevant to the enterprise training model, and which result in 'unintended negative consequences' for quality ERTOs.

10. Discussion questions – industry expectations and graduate capabilities:

- Is there a role for Government or industry to develop resources outlining VET graduate expectations for particular training products? If so, who should take this work forward?
 - Do higher order issues need to be resolved regarding terminology such as ‘competent’ (as assessed against the training product) and ‘job ready’ (ready to undertake all aspects of a particular job)? Is there a common understanding of VET system outcomes?

COMMENT:

- ERTOA strongly believes there is a clear need to manage industry expectations of the job-readiness of VET graduates, and to develop a common understanding of VET system outcomes and the role of employers in developing job-ready employees. (see previous comments on page 4)
- This is a role for the relevant IRC. Reasonable expectations of VET graduate competency/job-readiness should be clearly defined and described in the Training Package documentation prepared for the information of employers.

11. Discussion questions – evidence of assessment and graduate competency:

- Should the Standards for RTOs be revised to include strengthened and more specific rules around the conduct of and evidence to support assessment? Which elements that have a clear link to quality of student outcomes need to be strengthened?
- Would a more prescriptive condition of registration, such as a requirement for RTOs to retain all assessment samples for a longer period, improve the quality of assessment?
- How could the focus of regulation move to evaluating assessment outputs, such as samples of students’ assessment pieces, without incurring excessive costs or imposing excessive burden on RTOs?
 - Is ASQA the appropriate regulator to oversee this function, or are there better placed agencies such as firms that specialise in assessing students?
- Are there other mechanisms that you would like to see added to the regulatory framework to prevent poor assessment? For example, should training-only RTOs be recognised as a formal part of the regulatory framework?

COMMENT:

- ERTOA believes a more prescriptive condition of registration, such as a requirement for RTOs to retain all assessment samples for a longer period, would not improve the quality of assessment. In practice it would be costly to manage and administer and would require many RTOs to store records digitally to avoid expensive storage fees. The current six month retention period seem appropriate.
- ERTOs design and use contextualised and prescriptive assessment tools for the collection of evidence. The evidence collected is job specific, so that the employee is deemed operationally ready to do their job. The assessments combine the skills, knowledge and attitude required of

employees to enable them to do the job they are employed or volunteer to do. It uses actual job tasks to either simulate or real time assessments. ERTO assessments are typically conducted in real work environments - on the job assessment - with validation of assessment outcomes being the continued employment of the employee.

- ERTOA members see little value in the establishment of training-only RTOs. This type of arrangement is currently available to RTOs through partnership agreements in which training is provided by an entity external to the RTO, but the RTO retains responsibility for ensuring the quality of the training and assessment outcomes. There would seem to be little obvious benefit in formalising this type of arrangement as part of the regulatory framework.

12. Discussion questions – enforcement:

- How could the focus of regulation move to evaluating assessment outputs?
- Which additional regulatory enforcement options should be considered in dealing with RTOs providing inadequate assessment? For example, should the regulator have an explicit administrative power to require a RTO to arrange and fund external reassessment, or should additional civil penalty provisions be created?
- To what extent should the characteristics of the RTO influence the response? Should the size of the RTO or the number of students involved matter?
- Given the need to balance procedural fairness with swift and effective enforcement action, what methods should be available to the regulator to manage RTOs that are repeatedly non-compliant with assessment requirements? How could such repeat offenders be defined?
- What role should regulators have in communicating their activities and findings? Does current regulatory practice provide adequate transparency and disclosure, or are there other approaches that should be taken?

COMMENT:

- See comments at Question 11.
- Enterprise RTOs are unique amongst RTOs in that they combine the training provider and student employer roles in the one enterprise. This provides ERTOs with significant advantages in the delivery of customised, relevant training and the design of valid and effective assessment systems (see previous comments on page 3). There is a clear existing mechanism within ERTOs to deal with inadequate assessment practices – the employees wrongly judged to be competent will be unable to perform their assigned job role to the required enterprise and Training Package standards - and the business units of the enterprise will certainly hold those who carried out the competency assessment accountable for the inadequate assessment of their team members. Additional regulatory enforcement options are not needed in this training environment.
- ERTOA feels it should not be recommending specific additional regulatory options to be applied to TAFE Institutes and private providers as they have distinctly different operating characteristics and business objectives. However, ERTOA will support any additional options designed to 'weed-out' poor quality RTOs as long as a 'one-size-fits all' approach is not mandated for all RTOs.

13. Discussion questions – cancellation and reassessment:

- Where inadequate assessment has occurred, should the power to cancel qualifications be exercised more frequently than it has in the past? What factors should affect this decision (for example, potential impact on public safety) and how should they be balanced?
- Should a scheme for the reassessment of students be implemented? If so:
 - Are there any situations where a student should not be offered the chance to be reassessed, for example, student fraud?
 - Should there be a time period after which ASQA should not move to cancel an individual's qualification? Noting potential public and other safety issues, should a decision to cancel consider whether or not the person involved is reliant on the qualification for their current employment?
 - Who should bear the cost of reassessment and any gap training found to be necessary? If the cost is to be recovered from the RTO, should this be pursued regardless of the RTOs financial viability?
 - Who should deliver the reassessment? Are there any circumstances in which it would be appropriate for the original RTO to undertake the reassessment?
 - What should the qualifications be for those doing the reassessment, and what industry experience and currency would they need? To what extent should ASQA, industry or employers be directly involved in the reassessment process?
- Should a tuition assurance fund be set up to further protect students in Australia's VET sector, particularly in the context of any scheme of reassessment or cancellation of qualifications? Should membership be mandatory for all RTOs? Who should operate such a fund, and who should bear the cost of its operation?
- What linkages with income support eligibility should apply for graduates impacted by any recall of qualifications?

COMMENT:

As previously explained, ERTOA feels it should not be making any recommendations here as the issues raised are of limited relevance to ERTOs. However, ERTOA will support any reasonable initiatives to redress any situation in which qualifications are issued to incompetent individuals. Some limited comments were provided by members in response to the question including:

- Cancellation and reassessment has to be risk based and a last resort. This practice would potentially add to the already low reputation of VET in many quarters as it would demonstrate to stakeholders that we do not have our house in order.
- It also has inference that a poor quality assessment equates directly to poor performance of an individual. In reality, in the ERTO environment, an employee who is still struggling at the end of a course knows that, their employer knows that, their work colleagues know that and either they improve over time or they leave the job. Their performance on the job is exactly that, not directly related to any pieces of paper they may hold.

- What do ERTOs do if they have an employee, which holds one of their certificates, then makes a mistake? We accept human error occurs (to a point) and then retrain. We don't beat ourselves up and criticise the assessment tool (which has worked well for all other employees).