



Member Driven Policy Leadership
Independent Tertiary Education Council Australia

ITECA Submission

Jobs & Skills Australia Discussion Paper Response

Issues of strategic importance to independent skills training
and higher education providers and their students.

February 2023

Index

Jobs & Skills Australia Discussion Paper Response

Summary – A Generational Opportunity To Focus Skills Training	Page 2
Recommendations – A Stronger & Engaged Agency	Page 3
Section 1 – JSA Structure & Governance	Page 5
Section 2 – JSA Transparency & Accountability	Page 7
Section 3 – JSA Interim Engagement Arrangements	Page 9
Section 4 – JSA Stakeholder Engagement	Page 11
Section 5 – JSA Core Functions	Page 13
Appendix A – Independent Tertiary Education Introduction	Page 16
Appendix B – National Skills Training Data Snapshot	Page 17
Appendix C – Common Tertiary Education Abbreviations	Page 18



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A Generational Opportunity To Focus Skills Training

Jobs & Skills Australia Discussion Paper Response – Summary

For Jobs and Skills Australia (JSA), the key to success rests in consultative structures that embed engagement with employers, unions, the independent skills training sector, plus state and territory governments. A purposeful and structured engagement with these key stakeholders will support JSA in aligning national workforce and skills training priorities.

The Independent Tertiary Education Council Australia (ITECA) welcomes the opportunity to respond to the JSA discussion paper. The advice set out here builds upon earlier discussions with the Australian Government that reviewed the most appropriate way for JSA to formalise its engagement with the independent tertiary education sector.

“ JSA’s success will be found in strong and purposeful engagement with the independent skills training and higher education sectors. ”

The Commitment — A Partnership Of Employers, Unions, Skills Training Providers & Government

ITECA has welcomed the establishment of JSA, tasked as it is with the provision of providing expert advice on current and future workforce needs. The engagement with employers, unions, independent skills training providers, and government will promote transparency and accountability in policy development and decision-making, which can help to build trust and legitimacy in JSA.

In order to tackle skills shortages and position Australia to face future economic headwinds, the effectiveness of JSA will be judged, in no small part, by its engagement with the independent tertiary education sector.

Key Observation — JSA Needs A Strong Relationship With Independent Skills Training Providers

The independent skills training sector will be critical to JSA's work. These providers support over 87% of the 4.3 million students in skills training, including more than half of all apprentices and trainees. Further, independent providers support around 10% of the 1.6 million students in higher education. ITECA's unique position, representing and supporting members across both the skills training and higher education sectors, allows JSA to leverage the experience and expertise of the entire independent tertiary education sector.

In this paper, ITECA seeks to strengthen JSA by implementing formal arrangements to promote transparency and accountability. These include the a mandatory requirement to report to the Australian Parliament, publish recommendations made to the JSA Commissioner, and formalise engagement through ITECA with independent skills training and higher education providers.

As the peak body representing independent skills training and higher education providers, ITECA welcomes the opportunity to further engage with the Australian Government on the issues set out in this paper.

Troy Williams
ITECA Chief Executive
Canberra, February 2023

Felix Pirie
ITECA Deputy Chief Executive – Policy & Research

Recommendations For A Stronger & Engaged Agency

Jobs & Skills Australia Discussion Paper Response – Recommendations

The following recommendations have been developed following extensive consultation with independent providers in both the higher education and skills training sector. They seek to ensure that JSA can provide independent advice on the current, emerging, and future workforce, skills, and training needs.

Recommendation – Structure & Governance

- R1.1 That the reporting arrangements for JSA be clarified (i.e. will it report to the Minister, the Department or the Parliament), having regard for ITECA's strong recommendation for mandated reporting to parliament. [Refer Recommendation 2.1]

Recommendation – JSA Advisory Body Reporting

- R2.1 That JSA report to the Australian Parliament in accordance with the provisions of the *Public Governance, Performance and Accountability Act 2013 (Cth)* and the *Public Governance, Performance and Accountability Rule 2014*.
- R2.2 That the JSA Advisory Body publish on its website the advice provided to the JSA Commissioner.

Recommendation – JSA Advisory Body Reporting

- R3.1 That the independent skills training and higher education sectors, represented by ITECA, be appointed to the interim JSA Consultative Forum (or ITECA be asked to recommend a suitably appointed individual with the required skills and experience to the same).
- R3.2 That the independent skills training and higher education sectors, represented by ITECA, be appointed to the JSA's permanent engagement mechanisms.

Recommendation – Stakeholder Engagement

- R4.1 That JSA has a formal and permanent structure for student engagement.
- R4.2 That JSA incorporate the National Careers Institute within its structure in order to provide a coordinated provision of information to students on skills training and career options.
- R4.3 That JSA has a Commonwealth Advisory Group to ensure that there is a whole-of-government approach to workforce planning and skills training matters.

Recommendation – Core Functions

- R5.1 That has direct oversight of, and responsibility for, the work of the Jobs and Skills Councils.
- R5.2 That JSA has a specific remit to advise the Australian Government on the international education sector's relationship to, and interaction with, Australian workforce structure.
- R5.3 That the recommendations from the Productivity Commission's review of *the National Agreement for Skills and Workforce Development* be utilised as the broad overlay in which recommendations concerning skills funding are made.

- R5.4 That JSA review and publish an annual report, consistent with *ASAE 3500 Performance Engagements*, that details government funded student outcomes (by provider type) associated with the Australian Government's investment in skills training.



JSA Structure and Governance

Jobs & Skills Australia Discussion Paper Response – Section 1

The governance arrangements for JSA need to be further refined to reflect the election commitment for JSA to be a partnership to drive skills training and strengthen workforce planning by working together with employers, unions and the training and education sector.

ITECA notes the proposed structure of JSA as articulated in the discussion paper. While the proposed establishment of the full JSA will be as a statutory agency with the portfolio of the Department of Education and Workplace Relations, there is a lack of detail. As a result, ITECA has made several assumptions about the structure and governance of JSA as a Commonwealth agency.

Australian Government's Initial Framework

The initial commitment from the Prime Minister was to “create a new and independent agency to be called Jobs and Skills Australia which will research workforce trends and provide impartial advice about what skills are needed now and what skills will be sought after in the future. Jobs and Skills Australia will be modelled on Infrastructure Australia ...” [1]

ITECA's expectation was that Jobs and Skills Australia would be an independent statutory body, as is the case of Infrastructure Australia.

The further commitment from the Prime Minister was that “Jobs and Skills Australia would be a genuine partnership across all sectors – business leaders, both large and small; State and Territory governments; unions; education providers; and those who understand particular regions ... our model of Jobs and Skills Australia is for a genuine partnership.” [2]

ITECA's initial support for JSA was based upon these clear indications from the (now) Prime Minister that, operating as an independent statutory agency, there would be a genuine partnership with the independent skills training sector.

It is now presumed that JSA will be a non-corporate Commonwealth entity, noting that it will have a suite of service-level agreements with the Department of Employment and Workplace Relations (DEWR) on matters highlighted in the discussion paper such as digital, physical and human resources capabilities. In addition, it is expected that JSA (as an entity) will be subject to the requirements of the Commonwealth Procurement Rules, rather than DEWR as the portfolio agency. This is important in the context of the likelihood that JSA will need to undertake external contracting arrangements, although it is not clear whether JSA will be able to tender for external contracting work. In the case of the latter, this would alter its agency status and suggest a wider consultation being appropriate to legislation being introduced.

In terms of the proposed structure of JSA, ITECA offers a number of observations and suggestions.

“ By working with training providers, governments can support the development of high-quality and accessible education and training programs that meet the needs of students and employers. ”

[1] PM opinion piece in the Herald Sun (12 Nov 2021)

[2] PM address to the Committee for Economic Development of Australia, Perth (29 Oct 2019)

It is important to note that the outset that the consultation process on JSA has been considered and both the Government and the Department have been ready to engage. Throughout the process, there has been an educated assumption on the part of stakeholders including ITECA that the overarching governance arrangements of JSA would be overseen by a Board. This view has been informed, at least in part, by comments made by the Prime Minister prior to the 2022 Federal Election that JSA would be modelled on Infrastructure Australia. Indeed, in July 2022 the Australian Government tendered advice to the Minister for Skills and Training at some length on these issues on 22 July 2022 and also discussed them productively with the Senate Education and Employment Committee inquiring into the initial tranche of legislation to create JSA in September 2022.

“ JSA should have a clear remit to engage with the skills training sector, and in particular with the independent skills training sector that supports more than 87% of all students in skills training. ”

In moving away from the concept of a formal governance structure overseen by a Board, the discussion paper instead canvasses an Advisory Body that would support the JSA Commissioner in a range of the Commissioner's functions. While it is not explicit in the discussion paper, it appears that the JSA Commissioner will report directly to the Minister.

ITECA appreciates the Government's commitment to a tripartite arrangement through the Advisory Body. However, the discussion paper highlights that the Australian Government's commitment to:

“[D]eep and genuine consultation at all levels of government, and with unions, industry, and education and training providers, allows for a broader perspective to inform the work of governments.”

This would suggest that training providers would be a fundamental part of the Advisory Body mechanism. However, the discussion paper continues, noting that it will...

“...consist of a mix of tripartite representatives from state and territory governments, unions and industry. It would also include independent experts with relevant skills, experience and networks in one or more of the following areas: Skills and training or tertiary education...”

JSA should have a clear remit to engage with the skills training sector, and in particular with the independent skills training sector that supports more than 87% of all students in skills training. By working with training providers, governments can support the development of high-quality and accessible education and training programs that meet the needs of students and employers.

It would be appropriate that in an agency charged with providing evidence-based advice on skills, the labour market and workforce needs — and then by natural extension government investment in skills training in particular — skills training providers are explicitly highlighted as being valued, important and permanent members of the JSA stakeholder engagement structure. Additional discussion and suggestion beyond these issues in relation to the model for formal engagement through JSA is set out in this paper.

Recommendation/s

- R1.1 That the reporting arrangements for JSA be clarified (i.e. will it report to the Minister, the Department or the Parliament), having regard for ITECA's strong recommendation for mandated reporting to parliament.

JSA Transparency & Accountability

Jobs & Skills Australia Discussion Paper Response – Section 2

For stakeholders across the business community, the skills training sector plus state and territory governments to have confidence in the work of JSA, there needs to be a high degree of transparency and accountability in the recommendations it provides to the Australian Government.

Noting the relative brevity of the discussion paper and its broader focus, these twin issues of accountability and transparency have not been specifically addressed, which ITECA would nonetheless expect to be covered in a more detailed manner through later consultations. It is ITECA's view, however, that in addition to standard minimum requirements for a Commonwealth agency, transparency and accountability for JSA be enhanced through certain minimum requirements that reflect those of other Australian Government agencies.

JSA Parliamentary Reporting

The Australian Government has a reporting framework that, through legislative underpinnings, provides for an integrated system that promotes high standards of governance, performance and public accountability.

In this context, ITECA recommends that JSA provide an annual report to the Australian Parliament consistent with the requirements set out in the *Public Governance, Performance and Accountability Act 2013 (Cth)* and the *Public Governance, Performance and Accountability Rule 2014*.

Over the long-term, by reporting to the Parliament JSA can help to inform and improve policy-making, as it provides a platform to share its expertise and insights with Members of Parliament and the public.

It is appreciated that JSA is not designed as a decision-making body. At the same time, however, the capacity, indeed, the requirement, for JSA to provide advice that will lead directly or indirectly to significant decisions will lead to calls for more accountable and transparent arrangements than might otherwise the case.

In order for the business community, skills training sector, plus state and territory governments to have confidence in JSA, it is appropriate that there be a high level of accountability for the advice provided to the Minister.

JSA Advisory Body Reporting

In order for stakeholders to have confidence in the JSA, there needs to be a high degree of accountability on the advice that it gives to the Minister. In this context, the work of the JSA Advisory Body needs to be open in order to build a sense of trust across the broad range of stakeholders with whom the JSA is engaged.

ITECA recommends that the JSA Advisory Body provide written advice to the JSA Commissioner in the context of key issues specified by the Minister and that this advice be published on the JSA website. Written advice from the

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Advisory Body would likely be focussed on matters such as: The context of the annual JSA workplan; matters related to the migration program; and other specific programs JSA is directed to undertake by the Minister and which Advisory Body advice is sought.

Through direct reporting to the parliament and the mandatory publication of JSA Advisory Body recommendations, JSA will develop a culture in which the organisation is accountable and responsive to government and stakeholders.

Recommendation/s

- R2.1 That JSA report to the Australian Parliament in accordance with the provisions of the *Public Governance, Performance and Accountability Act 2013 (Cth)* and the *Public Governance, Performance and Accountability Rule 2014*.
- R2.2 That the JSA Advisory Body publish on its website the advice to the JSA Commissioner.

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JSA Interim Engagement Arrangements

Jobs & Skills Australia Discussion Paper Response – Section 3

It is understood that the Australian Government is finalising the interim JSA consultative arrangements, including appointments to the JSA Consultative Forum. Given that independent tertiary education providers support around 66% of the 5.9 million students in tertiary education, it is appropriate that ITECA appoint a representative to the JSA Consultative Forum, or be invited to recommend a suitable nominee for an appointment.

ITECA understands that the JSA Consultative Forum will provide strategic advice to the JSA Director on the annual workplan, mechanisms for meaningful stakeholder engagement, and JSA's early workforce capacity studies, cohort analyses or detailed regional assessments. For JSA to succeed in this task, it will require advice and guidance from the broad independent tertiary education sector, encompassing both the skills training and higher education sectors.

Independent Skills Training Sector Engagement

As data from the National Centre for Vocational Education and Research (NCVER) demonstrates, independent RTOs are the mainstay of Australia's skills training system. These providers support 87.1% of the 4.3 million students in skills training, including 52.2% of apprentices and trainees. In this context, the work of independent RTOs is critical to JSA's role in developing strategies of evolving demands of the economy, Australia's workforce and learners, and supports the delivery of the skilled workers Australia needs.

Independent providers support around 10% of the 1.6 million students in higher education, with ITECA members supporting a great many of these students.

ITECA's unique position, representing and supporting independent providers across both the skills training and higher education sectors, affords us the ability to tender advice from a unique and broad perspective.

The experience of ITECA, including its policy team, spans the key issues before JSA ranging from the links between skills training, higher education, skills migration and state / territory government skills training investment. Perhaps more than any other stakeholder outside the Australian Public Service, ITECA has an appreciation for the importance of collaborative federalism – that is functional relationships between the Australian, state and territory governments – on skills funding matters.

ITECA look forward to playing a constructive role via the JSA Advisory Forum, leveraging our member's experience – that represents around 66% of all students in skills training and higher education. This experience will be critical to ensure that JSA can fully assess the range of perspectives and practical steps relevant to informing Australia's skills system policy and program settings.

“ ITECA's unique position, representing and supporting independent providers across both the skills training and higher education sectors, affords us the ability to tender advice from a unique and broad perspective.”

ITECA has supported JSA with the understanding that the Australian Government's commitment is one that will fully engage with the independent tertiary education sector, with particular emphasis on the independent skills training sector. The independent skills training sector's confidence in JSA will be underpinned by formalised open and transparent communication, underpinned by ITECA's participation in both the interim and long-term JSA engagement vehicles. This is essential to build trust in the work of JSA.

“ The independent skills training sector's confidence in JSA will be underpinned by formalised open and transparent communication, underpinned by ITECA's participation in both the interim and long-term JSA engagement vehicles. ”

Recommendation/s

- R3.1 That the independent skills training and higher education sectors, represented by ITECA, be appointed to the interim JSA Consultative Forum (or ITECA be asked to recommend a suitably appointed individual with the required skills and experience to the same).
- R3.2 That the independent skills training and higher education sectors, represented by ITECA, be appointed to the JSA's permanent engagement mechanisms.

JSA Stakeholder Engagement

Jobs & Skills Australia Discussion Paper Response – Section 4

In exercising its functions, JSA will be required to be inclusive and to genuinely consult and to work with state and territory governments and other key stakeholders. This was the Australian Government's commitment made when the *Jobs and Skills Australia Bill 2022 (Cth)* was introduced into the Australian Parliament.

Closely allied to the issues raised above in the context of the structure and governance arrangements for JSA are the mechanisms for engagement that are articulated in the discussion paper.

Student Engagement

It is noteworthy that there is no explicit representation at the Advisory Body level for students in the context of the choices that students are making and the information before them. ITECA views this as a major missed opportunity to embrace students in an Australian Government agency that affects this cohort of Australians possibly more than any other and ITECA would welcome the opportunity to suggest organisations that offer excellent services to young Australians in this context. Year13 commends itself as an obvious student stakeholder.

The review of skills training undertaken for the Australian Government over 2018-19 identified that the biggest gaps to be filled in the sector were the provision and marketing of timely, accurate and helpful information that would help students and their families choose vocational pathways. The establishment of the National Careers Institute has partially addressed this; however, JSA has the opportunity to further the Australian Government's commitment in this area.

National Careers Institute

ITECA suggests that the formal establishment of JSA presents the Government with an opportunity to formally incorporate the current activities of the National Careers Institute as the primary mechanism to inform current and potential students and their support networks in relation to possible future study and career options. Simultaneously, there is an opportunity for a similar information-based initiative for businesses on the skills and workforce opportunities at a workforce and national level. Ideally, this would have strongly articulated involvement from skills training providers as well as the Jobs and Skills Councils and critically, the state and territory jurisdictions as the majority investors in training.

In a broader context, ITECA sees a significant opportunity for JSA. By incorporating the existing functions of the National Careers Institute, using diverse and tailored messages to the range of potential cohorts and engaging key relevant stakeholders, ITECA is optimistic JSA will be able to facilitate the delivery of constructive and tailored information on skills training and career options.

The aforementioned review of the skills training system led to the formation of the (now named) Jobs and Skills Councils. The JSCs have a remit broader than qualifications development and also have roles in assessing skills needs for their industries,

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marketing their industry to prospective trainees and school students, managing apprenticeships support and endorsing RTOs to deliver their training packages.

Jobs & Skills Councils

While it is very well appreciated that the discussion paper and the legislation that will follow from it are not prescriptive or fully detailed in terms of the structure or workflow arrangements for JSA, ITECA believes it is important that a number of aspects to these are established and agreed at the outset. Among these from a structural perspective, is the need to formally include each of the Jobs and Skills Councils (JSCs) in the structural advisory arrangements for JSA.

The formal inclusion of the JSCs through the Advisory Body is an important step. More importantly, however, is to note that the JSCs will have a distinctive and uniquely focussed view of the skills training sector that can assist the work of JSA. Formally incorporating the JSCs and their work into the activities of JSA will minimise the likelihood of JSA developing advice at odds with that developed by the JSCs for critical skill and workforce areas.

Australia's skills training system cannot function without the strategic vision, financial contribution, and delivery of state and territory governments. ITECA therefore welcomes the strong voice that these jurisdictions have been afforded in the proposed structure. It is recommended that, from a national perspective, a whole-of-government approach to engagement also be undertaken.

Commonwealth Advisory Group

ITECA recommends that it would be beneficial for the Australian Government to consider the benefit of formally establishing a Commonwealth Advisory Group as a Sub Committee to the Advisory Body. Such a Group would comprise membership drawn from across selected Commonwealth agencies with specific expertise relevant to JSA. Key agencies for consideration would be: The Treasury; Australian Government Actuary; Department of Home Affairs; Department of Education; Department of Employment and Workplace Relations; Department of Industry; and Department of Social Services.

It will also be useful for JSA to have formalised relationships with tertiary education regulatory agencies at across the Australian, state and territory governments.

Allied to initiatives to engage with students and the JSCs, is the strategic imperative that JSA engages in a formal and purposeful way, through ITECA, with the independent skills training and higher education providers.

Recommendation/s

- R4.1 That JSA has a formal and permanent structure for student engagement.
- R4.2 That JSA incorporate the National Careers Institute in order to provide a coordinated provision of information to students on skills training and career options.
- R4.3 That JSA has a Commonwealth Advisory Group to ensure that there is a whole-of-government approach to workforce planning and skills training matters.

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JSA Core Functions

Jobs & Skills Australia Discussion Paper Response – Section 5

The Australian Government's commitment is for JSA to build on the work started by the National Skills Commission, but with a much broader remit to address issues in the skills and training sector, while forging closer partnerships with key stakeholders. Further, tasked with playing an active role in workforce planning to look at future trends, the organisation will have a powerful remit.

In the broad context, ITECA is somewhat comfortable with the proposed functions of JSA as they mirror to a large extent, those of the National Skills Commission (NSC), which has been effective in its role since its inception and has delivered some very sound work. The caveat here is that the needs to be an increased degree of transparency and accountability in JSA's governance arrangements.

Based on the proposed functions outlined in the discussion paper, there are a number of suggestions and observations that ITECA makes in relation to how JSA might be able to most effectively fulfil its intended remit. A number of these relate to the earlier comments on engagement and formal networks actor the sector.

A key issue to strengthen the licence for JSA in the sector and to develop support for it, will be to strongly articulate what it is that JSA will do that is not already being done, and how the independent skills training sector has contributed to this work.

For many ITECA members, a key role for JSA will be oversight of the JSCs, specifically their qualifications development remit. This is a critical issue also for employers that are looking to the Australian Government for outcomes that builds a more agile qualifications development and revision framework.

JSC Qualifications Development Oversight

There is a need to ensure that the JSCs remain accountable to both employers and the RTOs that deliver the qualifications. In this context, JSA should have direct oversight of the JSCs and put in place the checks and balances needed for the JSCs to be responsive and accountable to the sector.

A priority for JSC should be to ensure that qualifications development processes ensure that the skills and knowledge of workers match the needs of employers, which can improve job prospects and economic outcomes. This approach will ensure that when it comes to the Australian Government's investment in skills training, taxpayers are getting the best return on their investment in terms of improved workforce skills and increased economic competitiveness.

It is proposed that JSA will be able to deliver 'improved identification of skills and labour imbalances across the economy through the development of a national skills supply and demand model.' While this is a substantial piece of work, there has been no detail articulated to stakeholders on what it will involve and that is concerning.

At the very least, this work would necessarily involve skills training and higher education providers, the international education sector, business groups, regional businesses and community groups, in addition to state and territory governments and

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most certainly the Jobs and Skills Councils as well as a number of relevant Commonwealth agencies. However, a number of existing bodies such as the National Centre for Social and Economic Modelling, already undertake activity of this nature and duplication should be avoided.

The International Education And Skills Need Nexus

While the discussion paper does not cover it in any detail, it is clear that due to the functions of JSA that are communicated throughout the document, there is a need for an explicit and robust function related to analysis and advice on the nexus between the labour market, future skill needs and the migration program. This is a complex area requiring collaborative engagement from JSA with sector participants – notably the independent skills training sector that support around 97% of international student enrolments in the skills sector – as well as business groups, relevant Commonwealth agencies, JSCs, employee representatives, as well as state and territory jurisdictions.

The discussion paper highlights the needs for the Australian Government to make evidence-based decisions on priority investment. In this context, it is appropriate that JSA provide recommendations to Government on the return to taxpayers of their investment in skills training, and that there be a high degree of transparency associated with this advice.

Recent assessments of the investment by the Australia, state, and territory governments have identified the opportunities to achieve a better outcome on the taxpayer's investment in skills training.

A Improved Framework For Funding Skills Training

In its 2020 review of the *National Agreement for Skills and Workforce Development*, the previous framework through which the Australian states, and territory governments, invested in skills training, the Productivity Commission noted that:

“There is a manifest capacity for governments to achieve a better return on the \$6.4 billion spent on VET...”

To achieve this, the Productivity Commission recommended the efficient costs and loadings currently being estimated by the (former) National Skills Commission as a common basis for setting and simplifying course subsidies; that there be the introduction of modest minimum student fees for Certificate III and above courses with exemptions for disadvantaged students; and applying more contestability and transparency to public funding of TAFEs and enhancing the operational autonomy of public providers.

As the Productivity Commission noted, there is a need for a revised performance reporting framework, with a broader set of performance indicators that better capture the contribution of government activity in the skills training system to skills and workforce development.

Skills Training Investment & Accountability

The Australian Government spends around \$2 billion each year on skills training and related programs, with the skills training component transferred to states and territories. Although the National Centre for Vocational Research (NCVER) publishes data on the outcomes of this expenditure, rarely does this data drive decision making.

“ The discussion paper highlights the needs for the Australian Government to make evidence-based decisions on priority investment. In this context, it is appropriate that JSA provide recommendations to Government on the return to taxpayers of their investment in skills training. ”

JSA should have a role to play to match the taxpayers' investment in skills with skills demand, with a focus on ensuring that the skills and knowledge of workers match the needs of employers in high-demand industries, which can improve job prospects and economic outcomes.

In order to ensure that the taxpayers derive the best outcomes from its investment in skills training, it is appropriate that JSA base its recommendations on outcomes for students, with a specific reference to provider type (e.g. private, public TAFE, et cetera). This transparency will provide confidence that taxpayer funds are being used in a way that delivers the best outcomes for students and employers, particularly if the rigour of appropriate standards such as *ASAE 3500 Performance Engagements* (issued by the Auditing and Assurance Standards Board) is applied.

In considering the remit of JSA, ITECA has been mindful of the need to avoid creating a monolithic bureaucracy that lacks the ability to focus on the key areas critical to workforce planning and the skills training sector. If JSA's remit is too broad, there is the risk that the agency may become plagued by inefficiency and bureaucracy, which can result in slow decision-making, waste, and a lack of accountability.

Recommendation/s

- R5.1 That has direct oversight of, and responsibility for, the work of the Jobs and Skills Councils.
- R5.2 That JSA has a specific remit to provide advice to the Australian Government on the international education sector's relationship to, and interaction with, Australian workforce structure.
- R5.3 That the recommendations from the Productivity Commission's review into the National Agreement for Skills and Workforce Development be utilised as the broad overlay in which recommendations concerning skills funding are made.
- R5.4 That JSA review and publish an annual report, consistent with *ASAE 3500 Performance Engagements*, that details government funded student outcomes (by provider type) associated with the the Australian Government's investment in skills training.

Independent Tertiary Education Introduction

Jobs & Skills Australia Discussion Paper Response – Appendix A

As businesses and governments tackle skills shortages across the Australian economy, they can look with confidence at the contribution of the nation's independent skills training and higher education providers. Collectively, these providers support around 66% of the 5.9 million tertiary education students with extraordinary employer and student satisfaction levels.

The data from the National Centre for Vocational Education and Research (NCVER) demonstrates that it is independent Registered Training Organisations (RTOs) that are the mainstay of the nation's skills training sector. They are the primary providers of quality skills training and support 87.1% of all students in skills training.

Skills training is the pathway to work and here, independent RTOs do the heavy lifting supporting Indigenous Australians (75.7% of students), students with disabilities (70.0% of students) and students from low-income and disadvantaged backgrounds (84.7% of students). Similarly, independent RTOs offer a diverse range of students across remote, rural and regional areas to gain critical qualifications (85.4% of students).

The NCVER data shows that it is sound use of taxpayer funds to back a student's decision to study with independent RTOs. Across the board, qualification completion rates are higher with independent RTOs than they are with public TAFE colleges. That's not to diminish the training delivered by TAFE colleges, but in terms of completion independent RTOs achieve better outcomes for Government funded students.

Australians can also look with confidence at the contribution of independent higher education providers too. These enjoyed an 18.2% increase in enrolments over the four years covered in this report (2017 to 2020), compared to 6.1% for public providers.

Students with independent higher education providers also expressed high levels of satisfaction that lead on key measures including skills development, learner engagement, teaching quality, plus the quality of their entire education experience. Notably, independent higher education providers lead on the key metric of overall employer satisfaction.

The Independent Tertiary Education Council Australia (ITECA) is the peak body representing independent skills training and higher education providers. Active in each state and territory, ITECA's commitment is to empower our members with the information to make sound business decisions. We also empower our members and the influence to work collaboratively with Government to achieve lasting reforms that supports students and the provision of quality tertiary education programs by independent providers.

A statistical analysis of independent tertiary education can be found in the *ITECA State Of The Sector Report* that can be downloaded from the internet at:

www.iteca.edu.au/state-of-sector.

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National Skills Training Data Snapshot

Jobs & Skills Australia Discussion Paper Response – Appendix B

The following data from the National Centre for Vocational Education Research (NCVER) builds an understanding of the significant contribution that independent Registered Training Organisations (RTOs) make to workforceskilling, reskilling and upskilling of the Australian workforce. To build a comparative understanding, the comparative data for public TAFE colleges is also provided.

Skills Training Enrolments – All funding Types	Independent RTO	TAFE
Certificate I & II	44.1%	32.6%
Certificate III	61.2%	35.0%
Certificate IV	69.4%	30.2%
Diploma (and above)	70.9%	30.0%
All enrolments - Qualifications, skill sets, unaccredited	87.1%	19.9%

Government Funded Student Satisfaction	Private RTO	TAFE
Satisfied with support services	81.5%	77.5%
Satisfied with teaching –	88.9%	87.2%
Satisfied with the facilities	85.0%	84.2%
Satisfied with the learning resources	85.4%	81.6%
Satisfied with the training overall	90.7%	88.9%

Government Funded Student Completion Rates	Private RTO	TAFE
Certificate I	39.5%	22.4%
Certificate II	56.6%	33.4%
Certificate III	57.1%	50.9%
Certificate IV	53.3%	44.5%
Diploma (and above)	52.6%	52.1%
All qualification levels	55.2%	42.4%

In its 2020 review of the National Agreement for Skills and Workforce development, the productivity commission noted that “while some claim that the quality of training is superior at TAFEs, the evidence suggests that at least some outcomes (satisfaction and labour force outcomes) are similar across provider types.” The data above reflects the Commission’s assessment.

— Note

Percentages may exceed 100% as a student may enrol with both an independent RTO and TAFE.

Percentages may exceed/not reach 100% due to the exclusion of VET in schools students.

— References

NCVER Databuilder (2022)

Common Tertiary Education Abbreviations

Jobs & Skills Australia Discussion Paper Response – Appendix C

AQF	Australian Qualifications Framework
AVETMISS	Australian Vocational Education and Training Management Information Statistical Standard
ASQA	Australian Skills Quality Authority
ITECA	Independent Tertiary Education Council Australia
HEPPP	Higher Education Participation and Partnerships Program
ISSP	Indigenous Student Support Program
JSA	Jobs and Skills Australia
JSC	Jobs and Skills Councils
NCVER	National Centre for Vocational Education Research
PRISMS	Provider Registration and International Student Management System
RTO	Registered Training Organisation
TAFE	Technical and Further Education
TCSI	Tertiary Collection of Student Information
TEQSA	Tertiary Education Quality & Standards Agency
VET	Vocational Education & Training
VSL	VET Student Loans



The Independent Tertiary Education Council Australia (ITECA) is the peak body representing independent providers in the skills training, higher education, and vocational training sectors.

ITECA members are united, informed and influential.

Members come together, through ITECA, to create an environment in which providers can offer students and their employers the quality outcomes they are looking for.

If you're interested in working with others that share your commitment to quality in order to improve the reputation of the independent tertiary education sector, get involved in ITECA today.

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