RESPONSE 19

Feedback on Discussion Paper
Tue 29/04/2008 3:14 PM

Please find below comments in reference to specific sections of the Skilling Australia discussion paper:

Shift to Demand-Driven Training System

The concept of demand driven training is innovative and reflects the general practice of entrepreneurial RTO's who are generally active in the private sector. The delivery of dynamic and innovative solutions for industry is not new, and has been the basis of commercial 'bread and butter' for private RTO's who easily outperform the public providers and larger institutional based colleges. The concept of Industry Skill Councils while similar to the ITAB's of past, will have positive impact on driving and developing relevant industry skill sets. In our experience with previous ITAB's there were a couple of flaws in that: 1) they had a propensity to tell RTO's their business rather than listen to any advice, and 2) they tended towards industry advice the bigger end of town rather than small business operators

Higher Level Skills

The cost associated with obtaining higher qualifications for new and existing staff is often prohibitive. With prices ranging from $3,000 to $5,000 for VET qualifications from say certificate IV to Diploma, these skill levels are still relatively cheap compared to tertiary qualifications. Nonetheless, both employers and individuals are reluctant to 'foot the bill' for these levels of qualifications. One idea that has worked in some industries, is providing a clear linkage between qualification attainment and potential job role. For example, for a person to operate effectively in a supervisory role, a Certificate IV can provide appropriate underpinning middle-management theory and skills.

Productivity Places

Thus far, the Productivity Places Program is off to a very shaky start. There has been a significant lack of prior consultation with stakeholders (Such as: EPS, Centrelink, RTO). Guidelines and details seem to have been made up on the run causing immense confusion for all concerned. The staff allocated by DEEWR to administer the program are practically un-contactable and the Skilling Australia 'helpline' is able to provide little or no help to applicant RTO's.

The constraint of 50/50 payment system to RTO's (which incidentally, was only evident at contract execution) requires individual training organisations to literally 'bankroll' the second half of each course at the risk of participants completing the full course. Anecdotal evidence suggests that in most cases, failure of individuals to complete programs is more often not the fault of the RTO or a reflection of the quality of service/support offered. This is exasperated by the nature of the client base and the fact that courses are offered free of charge, providing a perception of low value. This payment structure will have a detrimental impact on the program as RTO's will most defiantly look to contain their risk and possibly seek some form of guarantee of completion prior to accepting enrolments.

To further highlight the exceptional outcome fee structure, this is totally contrary to commercial training arrangements where payment for training services is levied in advance. As clear example, try to enrol on a Tafe course on the proviso of paying after the course.