

ERTOA and the National Quality Indicators

1. 'Your advice to ACER during the development of the AQTF Quality Indicators?'

- ✓ ERTOA and its members have been involved in the development of the National Quality Indicators (QIs) from the earliest stages. ERTOA was a strong supporter of AQTF 2007 and its 'training outcomes' focus. A selection of documents which give the flavour of ERTOA's advice to and involvement with ACER are attached for information as follows.
- ✓ Since mid-2007 ERTOA has expressed strong and consistent concerns about the direction ACER was taking with the QIs (e.g. see meeting notes from August 2007 at Attachment 1).
- ✓ Several ERTOA members participated in the pilot of the QIs in late 2008. The experience confirmed their strong concerns which were communicated back to the ACER Development Team (See Attachment 2).
- ✓ ERTOA feedback and concerns about the QIs were being totally ignored by the ACER Development team and their DEEWR 'masters' so it was decided to take the concerns directly to the National Quality Committee. ERTO representatives subsequently gave a formal presentation to the Quality Sub-committee chaired by Mary Hicks (See Attachments 3 and 4.)
- ✓ National Surveys of members during 2007, 2008 and 2009 identified the QIs and their implementation as their primary issue of concern (See extract from 2008 Survey Report at Attachment 5).

2. 'Your experience with ACER and your use of ACER materials?'

In its interactions with ACER concerning the QIs, ERTOA members felt strongly that their views, suggestions and concerns were totally ignored by ACER. Further, members of the ACER came across as arrogant and condescending in their private and public interactions with ERTOA and its members. ERTOA members do not use ACER materials as they are of little relevance to the enterprise training and business environment.

3. 'The estimated cost of conducting the surveys?'

As was indicated at our Sydney meeting there were a wide range of approaches to using the Learner and Employer Survey forms and collating and reporting the data. This variation raises the question of just how useful the data actually is? The most significant factor for costing the survey work is that those surveyed are employees of the enterprise and will respond to the surveys during work time.

Assuming it takes around 30 mins to get instructions, read the survey, enter responses and return the completed forms a best 'guesstimate' of the 'lost production' cost for completing a survey is around \$15 per survey.

To this must be added the administration costs for the RTO team members to prepare, distribute, collect, follow-up, collate and report. ERTOA member indicated that this required two to four 'person weeks' – representing an approximate cost of \$4000 to \$8000.

So for an enterprise that processes say 500 survey forms the best 'guesstimate' for the cost to the business is between $(500 \times \$15) + \4000 and $(500 \times \$15) + \8000 . That is \$11,500 and \$15,500. **This is a significant cost when there is no discernable benefit accruing to the enterprise.**

Attachment 1

ERTOA member briefing 07/2

Activity:	Meeting with ACER researchers developing AQTF 2007 quality indicator survey instruments.
Date held:	22nd August 2007 ; 1430 to 1530 hrs
Venue:	Teleconference
Purpose:	An informal discussion to: <ul style="list-style-type: none"> ◆ identify and highlight the current concerns of ERTOA members, and ◆ canvas options for addressing these concerns as the survey instruments and data collections are further developed.
Participants:	<ul style="list-style-type: none"> ◆ ACER: Hamish Coates (Convener) Kylie Hillman ◆ ERTOA: Chris Butler (AG) Craig Delahoy (ABC) Paul Regan (Public Transport Authority WA) Veronica Keating (Public Transport Authority WA) Myree Russell (Skilled) Michael Austin (Dept of Fam & Comm SA) Yvonne Ho (Qantas) Anthony Tyrrel (ERTOA Secretariat) John Churchill (ERTOA Secretariat). <p>(Ken Jorgensen has also provided ACER with a detailed written response summarising The Department of Defence's concerns about and suggestions for the draft ACER documents.)</p>
Details:	<p>The Australian Council for Educational Research (ACER) has been contracted by DEST to assist with the development of survey instruments and collections for measuring and reporting the AQTF 2007 quality indicators. Hamish provided participants with the following brief overview of work undertaken by ACER to date, and planned for the immediate future;</p> <ul style="list-style-type: none"> ◆ Jan – Jun 07: 'Outcomes measures working group' defined underpinning data. Number of indicators reduced from 12 to the current 3. ◆ July 07: ACER engaged to scope and develop draft survey instruments and collections for two of the quality indicators. These draft documents are currently available at for limited distribution at: http://surveyor.acer.edu.au/index.php?sid=38 http://surveyor.acer.edu.au/index.php?sid=39 ◆ Current activities: include validation, focus groups, cognitive interviews evaluate feasibility of collection processes ◆ Aug/Sep 07: refine and sharpen ideas in response to feedback from focus groups etc. ◆ Oct/Nov 07: national 'dress rehearsal' (pilots) of survey instruments and collections for all three quality indicators. Analysis of costs/benefits. ◆ Dec 07: Recommendations made to National Quality Council for implementation in January 2008.

Hamish also explained the connection between the work being undertaken by ACER and the apparently similar work being done by NCVER. ACER is developing the first two quality indicators (learner and employer responses) while NCVER is developing the third indicator (completion measures). These two projects are complementary.

While there is a general consensus view amongst ERTOA members that the broad intent and content of the AQTF 2007 are okay, participants expressed strong concerns around the apparent approach currently being taken with the development process. The most significant concerns for participants included;

- It appears that a single 'one size fits all' approach is being taken to the development. Enterprise RTOs operate in very different environment to TAFE colleges and private providers. Most enterprise RTOs already have comprehensive and effective risk management, quality assurance and reporting processes built into their business operations – the basic purpose of these is to ensure that their accredited training investment can be justified in terms of measurable business improvement. These existing quality indicator measures more than meet the requirements of the AQTF 2007 for ensuring quality outcomes (even though the tools and processes will differ from business to business). Participants sought reassurance that these existing processes will be acceptable as AQTF 2007 quality indicators?
- Will a single 'one size fits all' approach be mandated for all RTOs? If so then ERTOs will be faced with implementing (what they fear will be) a bureaucratic and resource intensive process in addition to their current (and satisfactory) quality assurance processes. There are no apparent benefits in this for ERTOs and the additional work and costs will be difficult to justify within the business environment.
- Who will store, analyse and report the collected data and to what purpose will it be put? Is a comparative 'league table' of RTOs being planned? If so how will the data 'frames of reference' issue be handled to enable meaningful comparisons to be made?

In response Hamish explained that ACER has been engaged by DEST to undertake specific development work only and has no policy making or decision role associated with AQTF 2007. The issues raised by participants went beyond ACER's formal brief. Hamish indicated that he was very keen to hear about what ERTOA members currently do and any ideas they may have on quality indicators and will factor these into their development work where appropriate. ERTOA will need to liaise directly with DEST on the broader policy issues that they have identified.

**Follow-up
Action:**

As an outcome of the discussion ERTOA will undertake the following actions and keep members informed on their progress;

- Facilitate contact between ACER and ERTOA members to increase knowledge and understanding of how ERTOs work
- Liaise with ACER to ensure that appropriate ERTOA members businesses are included as pilot sites for the proposed 'dress rehearsal' (pilots) of the quality indicator measures
- Establish contact with the relevant DEST officers to formally convey ERTOAs strong concerns about the apparent direction of the current development process and suggest approaches for resolving those concerns.

**Further
information:**

Contact Anthony Tyrrel (0433044116) or John Churchill (0419276017) if you would like more information or would like to share your concerns and ideas. Ken Jorgensen can be contacted on 02 6266 3579 if you would like to know more about the response prepared by the Department of Defence.

Attachment 2

ERTOA member briefing 07/4

Date issued: 19th December 2007

Activity: During October and November ACER and NCVER conducted pilots of the proposed AQTF 2007 Quality Indicator data collection instruments and processes. Several ERTOA member organisations were invited to participate and provide feedback. To date no formal cost/benefit evaluation of the pilots has been released by ACER or NCVER

Purpose: To brief ERTOA members on the experiences and reactions of those members participating in the recent AQTF 2007 Quality Indicator pilots.

Participants: The following ERTOA member organisations participated in the pilots:

- Insurance Australia Group (IAG)
- Australian Broadcasting Commission (ABC)
- McDonald's Australia Ltd
- Department for Families and Communities (SA)
- Wesfarmers Federation Insurance (WA)

Details: During 2007 the Association and its members have actively contributed to the development of the new AQTF 2007 whenever the opportunity arose. In general members regard AQTF 2007 as a big improvement over the previous standards, however, they have also been consistent in expressing strong concerns over the directions being taken with the proposed Quality Indicators. These expressions have included:

- The need to quickly and fully define data collection and reporting requirements associated with the second Condition of Registration – 'The RTO's chief executive must ensure the RTO cooperates with its registering body: ... by providing accurate and timely data relevant to measures of its performance'. (See ERTOA Member Briefing 07/1 – Report from AQTF provider Forum held at the Sofitel Hotel in Melbourne on 26th June 2007: facilitated by Professor Rod McDonald.)
- It appears that a single 'one size fits all' approach is being taken to the (Quality Indicator) development. Enterprise RTOs operate in very different environment to TAFE colleges and private providers. Most enterprise RTOs already have comprehensive and effective risk management, quality assurance and reporting processes built into their business operations – the basic purpose of these is to ensure that their accredited training investment can be justified in terms of measurable business improvement. (See ERTOA Member Briefing 07/2 – Report from a teleconference between ACER researchers (Hamish Coates and Kylie Hillman) and ERTOA members on 22nd August 2007.)
- Will a single 'one size fits all' approach be mandated for all RTOs? If so then ERTOs will be faced with implementing (what they fear will be) a bureaucratic and resource intensive process in addition to their current (and satisfactory) quality assurance processes. There are no apparent benefits in this for ERTOs and the additional work and costs will be difficult to justify within the business environment. (See ERTOA Member Briefing 07/2)

Members' concerns that they will be coerced into a national data collection process of little value or benefit to their existing accredited learning operations have not been allayed by their participation in the recent pilots. Typical comments from participants include:

- *'(The surveys appear to be) mostly about the satisfaction with a learning experience not the efficiency or effectiveness of the learning outcomes. In the end if we are required to collect this data we will - and still continue our other evaluations based on how we add value to our enterprise and support workforce development.'*
- *'...overall, we were not hugely impressed with the process. The results are, for us, meaningless, and we wouldn't expect this lack of importance to change over time.'*
- *'A number of questions on both feedback forms were not relevant to enterprise RTO and these would need to be amended for there to be any value in the use of it for us.'*
- *'The language used in many of the questions was not suited to an enterprise training initiative.'*
- *'The Quality Indicator (surveys) on employer and employee reactions to learning was simply childish and since the first draft I have not seen any more of it. IAG's preference is for our enterprise to approach our staff not a third party.'*
- *'The form of the questions does not provide much data that would be useful to us.'*
- *'The total number of questions, made completing the survey a burden on participants.'*
- *'For the Learner and Employer surveys - too many questions asked for the learners, they lost interest half way through and often missed the questions on the back page.'*
- *'The competency completion rating reports generated from the spreadsheet were not helpful for McDonald's.'*
- *'We may need to look on taking on extra staff just to meet these new reporting requirements.'*
- *'The original Phillips KPA proposals were ill-conceived and impractical, and the three that are left over continue that tradition.'*
- *'As always, I'm happy to continue providing feedback, but so far none of it appears to be reflected in what we've seen.'*

**Follow-up
Action:**

This strong and consistent negative reaction from participants is of great concern to the Association. There is little or no evidence to date to suggest that the specific needs of enterprise RTOs have been addressed, nor have the characteristics of the training environment within which they operate been recognised by the developers of the AQTF Quality Indicators. It is strongly recommended that the Association convene a general meeting of members to discuss options for resolving this issue early in 2008.

**Further
information:**

Contact Chris Butler (0411010781), or John Churchill (0419276017)

Attachment 3

Patrick McKendry
Chair
National Quality Council
PO Box 12211 A'Beckett Street PO
Melbourne Victoria 8006

Dear Mr McKendry

Thank you for your letter in response to ERTOA's continuing concerns regarding the AQTF 2007 Quality Indicator data collection, specifically the Learner Satisfaction and Employer Satisfaction tools.

ERTOA members have expressed their strong and consistent concerns about these since the first presentation of the Quality Indicators by Phillips KPA over eighteen months ago, and have provided clear feedback to ACER on numerous occasions during their development. ERTOA members regard the proposed Quality Indicators as a poor fit for their intended purpose. They will add an unnecessary additional compliance cost to enterprise RTO operations without adding any real value.

The Association is extremely disappointed that its concerns and suggestions appear to have had little or no influence on the design and development of the Quality Indicator tools. The Association has demonstrated a strong commitment to the outcomes focused AQTF 2007, and remains supportive of a national approach to quality measurement and reporting that is relevant and appropriate. However, members feel that the proposed Quality Indicator tools detract from the purpose of AQTF 2007 by mandating compliance measures that are strongly input focused.

ERTOA members applaud the increasingly collaborative approach taken with AQTF 2007 in recent times, and the access this has given them to the NQC and its sub-committees. As ERTOA has grown in membership and influence it now seems even more appropriate that it has formal representation on the NQC and in appropriate sub-committees. This will help ensure that business and industry's skills needs and expertise are better reflected in VET policy development and implementation.

ERTOA notes that the NQC Work Plan for 2009 provides for an external review of the implementation of AQTF 2007 and looks forward to receiving an invitation to participate in that review when it commences in 2009.

Yours sincerely

Chris Butler
President
Enterprise RTO Association
October 8, 2008

Attachment 4

ERTOA member briefing #08/5 (November 2008)

Activity: Update on developments with the proposed AQTF 2007 Quality Indicator tools

Background: All ERTOA members will be aware that the Association has taken a consistent approach to the implementation of AQTF 2007 and the associated Quality Indicators (QI). In summary ERTOA has supported the implementation of AQTF 2007 and agrees that an appropriate set of nationally consistent quality indicators for risk management is desirable. However, our concern has been with the proposed QI data gathering tools, in particular the Employer and Learner tools.

In a letter to the Chair of the NQC in October this year, ERTOA president Chris Butler summarised members' concerns in the following terms:

'ERTOA members have expressed their strong and consistent concerns about these since the first presentation of the Quality Indicators by Phillips KPA over eighteen months ago, and have provided clear feedback to ACER on numerous occasions during their development. ERTOA members regard the proposed Quality Indicators as a poor fit for their intended purpose. They will add an unnecessary additional compliance cost to enterprise RTO operations without adding any real value.'

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Details: Since October our concerns have been formally presented to the National Quality Council (NQC) as well as NQC sub-committees. Mary Hicks from ACCI and Andrew Smith and Julie Moss from ACPET have had direct access to the NQC and have clearly expressed ERTOA's views.

On October 30 Gay Gallagher from TVET (TVET manages the secretariat for the NQC) wrote to Anthony as follows:

"You may know that the NQC at its meeting of 25 September accepted the recommendation of the QSC [Quality Standing Committee, see details at: http://www.nqc.tvetaustralia.com.au/standing_committees] and agreed to postpone the deployment of the Quality Indicators Resource Package given the need to clarify several

concerns, including concerns regarding ownership of the data and how it will be used by Registering Bodies. It asked the QSC to urgently review the materials that support the Quality Indicators in the Quality Indicators Resource Package to reflect the issues raised.

The QSC is in process of that review to enable proposed changes to the resources to be considered by the QSC at its meeting of 12 November and will make recommendations to be considered by the NQC at its meeting of 4 December.

As part of this review, the QSC has proposed the inclusion of the following information in the Employer Survey Guide under the heading Deciding who to survey to follow on from the existing text I think you would have access to the ACER website where the documents are housed as ERTOA was a member of the DEEWR reference group for the project, if not, let me know

"Where there is a direct relationship between the employer and the learner, for example, apprenticeships, traineeships and Productivity Places programs, the RTO must use the Employer Survey.

In recognition of circumstances where the RTO is also an enterprise and where the use of the Employer Survey may be impracticable, these Enterprise RTOs may negotiate the provision of comparable data with the relevant registering body."

(the footnote defines an Enterprise RTO as an enterprise or organisation where training is not core business and where training is provided to their own employees)

ERTOA responded to the request for a review of the words by replying with the following edits highlighted in bold:

"Where there is a direct relationship **and learning contract** between the employer and the learner, for example, apprenticeships, traineeships and Productivity Places programs, the RTO must use the Employer Survey.

In recognition of circumstances where the RTO is also an enterprise and where the use of the Employer Survey may be impracticable, these Enterprise RTOs may negotiate the provision of **agreed relevant data, including enterprise specific data already collected,** with **their** registering body."

ERTOA added: "However we are concerned that this concession does not address the Learner QI survey form, and it has the potential to invite a rash of State imposed criteria that will further hamper the operation of Enterprise RTOs."

Comment: The meeting of the National Quality Standing Committee (QSC) occurs today and it will be interesting to see how they respond to the suggested edits. Julie Moss (the past Chair of ACPET and still representing providers on the QSC) called the ERTOA Secretariat just before the meeting to confirm the views we had conveyed to her.

The following points have emerged from the Association's engagement with the NQC and the proposed Quality Indicators:

- We have eventually had some acknowledgement of our concerns.
- The outcome we have achieved still does not meet our member's needs
- Arrangements with individual State registering bodies as proposed could be more onerous than the original tools
- If the NQC is prepared to make the changes suggested above then there is real opportunity for ERTOA (and ACPET) to continue to progress their member's concerns

Members will be kept informed as the outcomes of today's QSC meeting, and the full



NQC meeting in early December are made public.

**Further
information:**

Contact Anthony Tyrrel (0433044116)

End of briefing note #08/05

Attachment 5

6 | Key issues of concern for ERTOA members

Members attending the ERTOA members meetings during 2008 were asked to identify the enterprise RTO 'issue that was keeping them awake at night'. The responses were collated into the following table. As part of the 2008 survey members were asked in Question #2 to rate each issue as it related to their current RTO operations using the three point scale shown. The responses are summarised in Table 1 below.

TABLE 1 – KEY ISSUES IDENTIFIED BY ERTOA MEMBERS

	DESCRIPTION OF ISSUE	A MAJOR ISSUE	A MINOR ISSUE	NOT AN ISSUE
1	Implementing the proposed AQTF 2007 quality indicator surveys within our training environment.	74.1%	22.2%	3.7%
2	Knowing how best to promote and market the value of the RTO to our business managers.	40.8%	44.4%	14.8%
3	How best to maintain the skills and knowledge of our RTO staff - what sort of professional development activities should we be organising and/or accessing?	33.3%	51.9%	14.8%
4	Finding a learning management system that really meets our training needs.	25.9%	55.6%	18.5%
5	Is there a recognised 'industry benchmark' to compare our RTO operations against - How well are we really performing?	29.6%	51.9%	18.5%
6	Knowing how to determine the appropriate resourcing level to support our RTO operations.	25.9%	51.9%	22.2%
7	Developing and applying appropriate performance measures for our RTO operations.	33.3%	44.4%	22.2%

	DESCRIPTION OF ISSUE	A MAJOR ISSUE	A MINOR ISSUE	NOT AN ISSUE
8	Understanding the AQTF 2007 compliance requirements and knowing which evidence is suitable for re-registration audits.	25.9%	48.1%	25.9%
9	Knowing how to develop a convincing business case for establishing/maintaining an RTO within our training environment.	25.9%	40.7%	33.3%
10	The various States are setting different implementation dates and strategies for introducing revised Training Packages.	40.7%	22.2%	37.0%
11	Are there any good practice enterprise RTO models for the provision of 'fee-for-service' training for internal and/or external 'clients'.	22.2%	33.3%	44.4%
12	Delays in getting a response and/or approval from registering authorities for 'change of scope' applications.	14.8%	37.0%	48.1%
13	What is the best way to go about accessing the Government's Productivity Places Program (PPP) funding?	25.9%	22.2%	51.9%
14	How to develop and manage an 'internal charging regime' for RTO services within an enterprise RTO.	25.9%	22.2%	51.9%