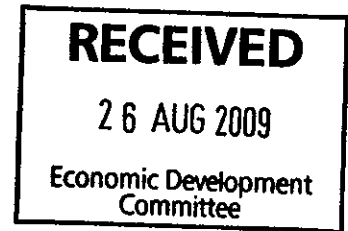


August 2009

To:  
The Research Director  
Economic Development Committee  
Parliament House, George Street  
BRISBANE QLD 4000  
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ACPET (Queensland) submission to an inquiry into  
identifying world's best practice by governments to  
effectively stimulate employment opportunities in  
Queensland

*After record low unemployment over recent years, Queensland, along with other developed economies, now faces rising unemployment with the onset of the global financial crisis. The Economic Development Committee ("the committee") has been asked by the Queensland Parliament to report on what government should be doing to create employment opportunities and ensure Queensland is well positioned for the inevitable economic upturn.*

*The committee has published a discussion paper published at: <http://www.parliament.qld.gov.au/view/committees/documents/EDC/Other%20Publications/IP%20-%20July%202009.pdf> to stimulate debate and invite interested groups and individuals to make public submissions to this inquiry. Issues raised within this paper do not restrict the scope of submissions. Groups and individuals making submissions may comment on any matter they consider relevant to the inquiry.*

*In undertaking this inquiry, consideration should be given to established and new and emerging industries, and specifically:*

- (a) Queensland's significant science, research and technology infrastructure*
- (b) Queensland's natural resources*
- (c) Areas in which Queensland has a demonstrated comparative advantage*
- (d) The current and future skills requirements of the Queensland economy*
- (e) The impact of regulation on economic growth and recovery.*

*The committee is to report to the Legislative Assembly by 30 October 2009.*

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## **1. Introduction and overview**

ACPET is the Australian Council for Private Education and Training, the national industry association for independent providers of post-compulsory education and training for Australian and international students, including Higher Education; Vocational Education and Training; English Language Courses; Senior Secondary Studies; and Foundation Studies.

ACPET represents over 1,100 providers of school, vocational and higher education in every State and Territory and in all fields of education and training. Our members educate close to one million domestic and overseas students at institutions that range from large multi-national organisations to hundreds of small and medium businesses. ACPET also works with these private registered training organizations (RTOs),<sup>1</sup> offering professional development and guidance on regulatory compliance and best practice in training services provision. ACPET assists private registered training organisations to provide quality services and to position themselves to make the most of current opportunities and market demand.

Consequently, ACPET (Qld) is in a strong position to advise Queensland's Economic Development Committee on this sector's unique needs; current role; and increasingly prominent role in contributing to Queensland's economic growth and skill development in response to changing economic, industrial and regulatory conditions. The Inquiry is urged to take into account the role of private training organizations when developing guidelines to ensure that Queenslanders have the required skills to support industry needs and to enhance participation by all Queenslanders in all regions in economic growth and recovery.

In this submission, ACPET (Qld) will highlight the significant role and concerns of the private training and education sector with reference to the industries and issues as specified in the Inquiry Discussion Paper under consideration by the Economic Development Committee. The submission will also point to the strengths of, and challenges faced by, the private training sector in meeting the training needs of disadvantaged people and regions.

In inviting public comment on what the Queensland Government must do to improve employment opportunities, the Inquiry Discussion Paper identifies certain groups at risk of missing out on training and employment opportunities and participation in economic recovery as follows:

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<sup>1</sup> A Registered Training Organisation (RTO) is an organisation or individual registered with a State or Territory registering authority in accordance with the Australian Quality Training Framework (AQTF). RTOs deliver training and/or conduct assessments, and issue nationally recognised qualifications. Any qualification that an RTO issues may include the "Nationally Recognised Training" logo.

### **7.3 Target groups**

*Certain groups of individuals, such as younger, older and Indigenous workers, are susceptible to unemployment, particularly during economic downturns . . .*

### **7.4 Long-term unemployment and social barriers to employment**

*Disadvantaged workers include those who have been out of the workforce for a period of time (for instance parents or carers returning to work), those living in certain suburbs or regions that experience higher-than-average levels of unemployment, the long-term unemployed and those who for reasons such as health may have difficulty finding work. Research has suggested that long-term unemployed persons are more likely to face barriers to employment including lower levels of education, learning disabilities, lower literacy, lower levels of work experience, fewer job skills and a lack of knowledge of workplace norms resulting in absenteeism or lateness for work. Additionally, they are more likely to have had a psychiatric disorder or substance dependence within the previous 12 months, have had physical health problems or experienced other barriers such as domestic violence, transportation problems or a criminal conviction.*

### **7.6 Regional unemployment**

*Queensland is the most decentralised state in Australia with regional labour markets across the state that have different unemployment rates.*

ACPET's registered training organisations not only provide skills, training and employment opportunities for many of these groups, but they also offer a diverse range of training and services of benefit to the whole community, including public education, health promotion and training, lifestyle intervention programs, finance and business skills, defensive driving, parenting training, first aid and CPR which many associate with government programs. In addition, they have the potential to respond to the present and future education and training needs of more people within the Inquiry's target groups, reaching them in regions, industry sectors/niches, and with diverse, flexible, outreach methods of delivery that public education and training cannot always address.

## **2. Private registered training sector: diverse, flexible, dispersed & responsive**

Private registered training organisations (RTOs) in Queensland perform an increasingly significant role in Queensland's economic growth and recovery, addressing the skill requirements of established, new, and emerging industries.

Confronted with rapidly changing economic conditions, demand for infrastructure development and continued population growth, the capacity of state and local governments in Queensland to provide the necessary breadth and depth of education, training and social services across the state is increasingly constrained. Additional pressures are having an impact on state and local governments and communities, such as climate change, an ageing population, changing lifestyles, diet and patterns of work, and associated health and social problems such as obesity, diabetes, heart disease, mental illness, and addiction.

The private training sector provides diverse, flexible services with the capacity to be responsive in a timely manner—often, ahead of the public sector—in addressing the changing skill needs of Queensland’s industries, **particularly those associated with rapidly developing infrastructures, emerging industries, and industries that are subject to rapid change due to technological developments and/or fluctuating demand** such as mining and natural resource industries, tourism and entertainment, e-commerce, media/new media production.

The private training sector is mostly made up of small to medium sized RTOs which come and go according to industry demand and market viability, are geographically dispersed across regions/ locations, and address the skill requirement of a broad range of industries and regions. They develop and grow in response to quite specific and localized industry and student needs in ways that larger public training/education providers are often unable to manage with such flexibility and specificity; and they operate in various locations and regions that the State Government may not be able to accommodate.

The private training sector has in this sense a similar profile to Queensland’s tourism industry which is also dominated by small to medium sized private operators which are able to operate in regional locations, responding to and stimulating market demand and providing jobs. Like the tourism service providers, **the private RTOs make an enormous contribution to the State’s economy, are able to respond quickly to market demand and regional or industry specific skill requirements.**

Private training organizations, along with public education/training and non-government organisations, help to fill the gaps in social education, services and support, particularly in disadvantaged areas and among disadvantaged groups. They are able to respond to the diverse training/skill development needs of many people and communities disadvantaged by geographic location, disabilities, socio-economic circumstances, work or family care responsibilities, and cultural differences. They also provide enabling skills and support to people who would otherwise not have access to public or non-government organisation services.

### **3. Promoting innovation & contributing to Queensland’s economy**

The private registered training sector has a vital role in meeting the skills requirements outlined in the Inquiry’s terms of reference as follows:

### **(a) Queensland's significant science, research and technology infrastructure**

Private RTOs accommodate the highly specialised training and technology needs of science, research and technology companies.

#### *EXAMPLE:*

*Private RTOs offer specialised training for employees of Pacific Seeds, a global exporter of seeds (agriculture/technology), employing people in Toowoomba and the Lockyer Valley Specialist chemical training is provided for employees at the controlled plant growth chamber, and industry specific horticultural training for the research farm. This company, a subsidiary of a multinational firm, would not be able to operate in Queensland—employing local people, stimulating regional economies, generating export revenue for Queensland agriculture—without the private training sector.*

### **(b) Queensland's natural resources**

Private RTOs contribute to the natural resources industries in Queensland offering skills training of relevance to mining, transportation, workplace health and safety, resource management, facilities maintenance and so on.

#### *EXAMPLE:*

*Private RTOs in Queensland such as Quality Connect and the Australian College of Training and Employment offer training that enables Queenslanders to gain skills relevant to the mining industry (eg. Metalliferous Mining Operations). This is particularly important during boom periods of global demand for Queensland's natural resources.*

### **(c) Areas in which Queensland has a demonstrated comparative advantage**

Tourism provides a significant example of an industry with comparative advantage in Queensland, with skill requirements that are widely met by private RTOs in diverse areas such as diving instruction, tourism management, bookkeeping, hospitality management, food preparation, barista training. While Queensland Tourism excels in marketing tourism and generating demand for tourist services, much work is still needed at the supply end of the tourist industry. Private training organizations play a vital role in assisting the suppliers of tourist services, delivering skilled employees and managers for those services.

### **(d) The current and future skills requirements of the Queensland economy**

Private RTOs emerge and change quickly in response to changing skills shortages and industry needs. Careful planning and coordination between universities/schools, government departments and private training organizations can ensure that emerging industries—such as the digital media industries—can thrive and provide employment for skilled locals.

#### *EXAMPLE:*

*Qantm, the country's leading new media college is a private registered training organisation established in 1996 (backed by several key Australian universities,*

*government departments and arts bodies) to meet the skill requirements of emerging new media industries. Qantm has a college in Brisbane as well as elsewhere in Australia, Asia and Europe. South East Queensland has a significant cluster of successful digital media companies: several computer game, animation, web development, film/video post-production companies and online businesses have emerged and thrived in the Brisbane/Gold Coast area, employing many Queenslanders trained through Qantm. This private RTO with its innovative and flexible courses has enabled Queenslanders to:*

- *develop new and relevant skills,*
- *work in emerging industries;*
- *help establish new—and in some cases, globally successful—businesses, all of which contribute to and support the State's participation in the global Digital Media industry.*

*Qantm's flexible modes of delivery (including online education and fast track courses) have enabled people who might otherwise be disadvantaged due to geography, disability, family responsibilities, or full-time work commitments to participate, gain skills and employment.*

One example of a growth industry in Queensland is the waste collection and treatment service industry, which employs many people and has the potential to create many more jobs in future, as waste management becomes increasingly recognized as a source of wealth and job creation, as well as of environmental benefit.

*EXAMPLE:*

*J J Richards is one such company employing over 1600 people including many Queenslanders in regional Qld. The company's many services use innovative technologies and treatment processes, which call for specialised training, not only of their apprentices and staff but also of the wider community. The company has its own training and education business, Envirocom Australia, offering customised environmental management and training packages for other organizations, including medical and health services staff in need of training about medical waste disposal.*

Another growth industry is the health services industry including aged care, alternative medicine, and personal fitness. In the area of aged care, private RTOs such as Charlton Brown and BDS Training and Development offer a wide range of training courses for diverse industries, including Certificates in Aged Care Work which provide Queenslanders with skills to work in the growing aged care services sector. Charlton Brown's flexible modes of delivery (eg. Distance Education) enable participation in training by people who may otherwise be disadvantaged, due to circumstances such as geographical location, disability, caring responsibilities. A range of private RTOs in Queensland, such as AIAS and the Endeavour College of Natural Health, train people with skills to work in the growing area of personal training and alternative health services such as naturopathy, acupuncture, chinese medicine, massage therapy. These industries are growing. Consequently, the quality training of employees, training about regulatory frameworks and best practice in health services is

vital to their success and their continuing contribution to health, wellbeing and social support in the community.

#### **(e) The impact of regulation on economic growth and recovery**

Private training organizations are positioned to contribute to government consideration and measurement of the impact of regulation on economic growth, particularly in the following two ways:

- ACPET has data on the private training sector and the industries it serves that can assist the Committee as it considers the impact of regulation on economic growth.
- Private training organizations provide courses of relevance to regulatory compliance in many industries and workplaces, teaching students, employees and managers about health and safety regulations, reporting standards, HR guidelines, legislations that influence industry. In this sense, they assist in ensuring that industries comply with regulations. They also work closely with employers and employees in particular industries, gaining good knowledge of current practices and attitudes.

#### **4. Strengths of the private training sector**

The strengths of the private training sector are significant to the State's economic growth and recovery.

##### *Serving the needs of disadvantaged students*

Governments at all levels in Australia are attempting to establish large-scale public investment programs. However, such programs 'may face shortages of skilled labor, put upward pressure on wages, and leave women and minorities behind.'<sup>2</sup>

A large number of private training colleges perform particularly well in responding to the needs of people who are disadvantaged and are missing out on training/education opportunities. Many private RTOs offer training that works well for people of diverse locations, needs, abilities, and circumstances. Private RTOs operate in areas that are not provided by public education services; they offer training that is flexible, specialised, incremental, industry focused and client focused. This makes many private RTOs better suited (compared with public colleges/universities) to the needs of people with **disabilities**, students constrained by work or **family care responsibilities**, those with different cultural backgrounds such as **indigenous students** and **international students**, and **mature aged** or

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<sup>2</sup> Robert Reich. 2009 "The Stimulus: How to Create Jobs Without Them All Going to Skilled Professionals and White Male Construction Workers." Robert Reich's Blog, comment posted January 8, <http://robertreich.blogspot.com/search?q=white+male+construction+workers>.



**young students, as well as students disadvantaged by geography, access, and financial limitations.**

ACPET (Qld) is particularly working hard to improve its effectiveness as an organisation which is responsive to the needs of **people with a disability**. Here are two attention-grabbing statistics:

- In 2005, of the 96,000 people with a disability who entered a VET program, only 7138 people or 7.5% achieved an employment outcome. (DEST 2006).
- Despite the increase in jobs and the tight labour market in Australia during the ten years between 1997-2007, there was a significant drop in the numbers of people with a disability in employment.

These are the most recent statistics available. There is little reason to suppose that much has changed. In addition, the current global financial crisis is undoubtedly putting more pressure on the ability of people with a disability to get the study they need and the work they are trained for. The question then arises: 'what is the best way to support private Registered Training Organisations so that people with a disability achieve success?'

In response to this question, ACPET (Queensland) appointed a Disability Advisor to assist private sector registered training providers and students with a disability. The following themes shape ACPET's approach:

- *Innovation in training and policy:* ACPET is well placed to be an agent of training innovation and disability/employment policy advocacy, particularly in the relationships between the private RTO, the student with a disability, and the employer.
- *Promoting information, support and brokerage to private RTOs in a range of formats,* in addition to the traditional vehicle of workshops. In particular, ACPET will focus on developing improved understandings through research and networks of shared learning about the knowledge, skills and assistance that private RTOs, students and trainees with a disability, and prospective employers need to increase the job outcomes of vocational training for students with a disability.
- *Facilitating cross-sectoral learning* among private RTOs, disability groups, and employers/business representatives. APET will look for opportunities for private RTOS, employers and students/trainees with a disability to contribute to proposed legislative, policy and service delivery reforms by government.

*Geographical reach: regional services*

Spread across the State according to training needs/the market, in a way that is not viable for public institutions. Particularly important to meet demand in relation to Natural Resources Industries (such as Mining), Tourism, and in remote Aboriginal and Torres Straight Islander communities.

This also makes the private training sector **well suited to address social problems and needs in remote areas**, for example offering training for locals to become dieticians, nutritionists, lifestyle coaches, in remote communities where obesity, heart disease and diabetes are acute problems. There is potential for the State government and NGOs to outsource such training services to private RTOs.

*EXAMPLE:*

*IBIS, an NGO which manages stores on the Torres Straight Islands, has developed a community health initiative, training TSI people as dieticians to work at the point of sale in the stores. Diabetes is a major health problem in the TSI. Innovative programs of this kind can be developed in conjunction with private RTOs to deliver community specific training in remote areas, and to build skills and businesses of social relevance in those areas.*

*Diversity and specialisation*

The sector is diverse and caters to many different and niched skill shortages/requirements in a way that might not be viable for public institutions. It can also offer highly specialised training services, to meet industry demand and to cater for the unique needs of particular groups of student/clients.

*Opportunistic*

The private training sector is able to rapidly emerge, grow, adapt, close down in response to demand and changing conditions.

*Flexibility*

The private training sector can adapt to changing conditions and industry requirements, and provide flexible training to cater for diverse needs of students (eg. mature age, people with disabilities and so on). Offering online education options, distance education, fast tracked courses, incremental training, and so on.

*Client focused*

In best practice, private training colleges can be client focused and responsive to students' needs, due to small/medium sized scale of business, or responding to large number of students with particular needs/cultural differences.

**Recommendation: making the most of these strengths**

The increasing relevance of private training sector to Queensland's economic and employment profile must be recognised and taken into account in planning. Given its unique characteristics and strengths, the private training sector has an important role in developing skills and employment and economic growth in Queensland. Further, the private sector has increasing relevance to the industries, government and citizens of Queensland.

As State (and Federal) funded education and training programs cannot meet demand given economic conditions, population growth and rapidly changing industry requirements, the private training sector is increasingly needed to address that shortfall.

**5. Challenges of the private training sector**

This sector faces—and presents—some unique challenges associated with the diverse and dispersed nature of its service providers. The comparison with Queensland's tourist industry is useful to illuminate those challenges.

While best practice service provision in these sectors is taken for granted and may remain invisible to all but those directly benefiting from them (students/tourists and employers/tourist agencies), examples of sub-standard service provision can become well known to a much wider audience. Some localised problems of quality, client management or marketing can have international repercussions, with detrimental impact not only on the private operators and their clients, but also on the industry as a whole, and potentially for Queensland and Australia in the international arena. ACPET addresses the challenge of overseeing and guiding the private training sector in all its diversity, working on educating RTOs in best practice and regulatory compliance, to maintain consistency in standards, ethos and quality in service provision.

Because the private training organizations are diverse and dispersed, governments and the public may find it difficult to know, understand, regulate and measure the sector as a whole, especially in comparison with publically funded education and training organizations. Discussions of the role of education and training in Queensland's economy too often overlook the large and growing contribution of private RTOs to the state's economy (in both domestic revenue and export income) as well as to skills training and job generation.

*Invisibility*

Because the sector is dispersed and diverse it can be difficult to assess, represent and manage as a whole. It can be difficult to measure its contribution to the economy, skills and employment and evaluate its performance.

#### *Regional dispersal*

While this geographical diversity of the sector is benefit to all, it also presents challenges for the private training sector and for ACPET representing that sector. Access to teaching and learning resources and professional development opportunities can be problematic and students may also experience difficulties because of geography and location.

#### *Governance*

The private training sector is characterised by uneven development and service provision, as with any sector made up of diverse organizations that cater to different markets. Many small RTOs do not have time, resources or location for professional development, and may operate in relative isolation. ACPET works with RTOs to develop consistency in quality service provision, advise about best practice and regulatory compliance.

#### *Limited resources*

Many small to medium sized operators in particular have limited time/resources for improvements in facilities, technologies, service provision, business practice, marketing, professional development.

### **Recommendations: addressing these challenges**

#### *Invisibility*

ACPET works consistently to address this issue, promoting the private training sector generally and representing its needs and those of the students and industries it caters for. Government support, in the form of consultation, funding and resources, is vital for ACPET to work effectively with the sector, particularly in relation to special initiatives such as ACPET's disability strategy. ACPET also requires government support in its job of representing, developing, managing, monitoring and regulating the sector.

Research would be of value to assist in mapping this sector, evaluating its training and business practices, its contribution to the economy, the course offerings, their links with industry and the job market, student satisfaction and so on. Greater awareness of and

consultation with this sector by government at all levels, especially when developing policy in relation to employment, training and education.

#### *Regional reach*

Collaborative partnerships are needed to enable private RTOs to share facilities and resources of the public sector in remote or regional locations, and to tap into government training and advisory services where possible. Partnerships with NGOs also have the potential to build capacity.

#### *Governance*

Given the increasing role of private RTOs in meeting Queensland's skills and employment needs, and in addressing social problems and issues, sustainable public funding is required to assist the sector to provide adequate services, and to ensure the RTOs receive adequate support in providing those services.

#### *Resources*

Greater liaison and exchange is needed between public training and education institutions and private training organizations. Cross sector liaison works well to ensure resources are utilized to the benefit of all. Under-used facilities and resources in public universities and colleges could be used by or shared with private training organizations to facilitate and enhance their training services. Professional development opportunities for public educators/trainers could be extended to private training providers, enhancing quality and regulatory compliance.

### **Conclusion**

The private training sector has significant strengths and challenges that merit State Government attention, policy support and funding to:

- recognize the role played by private RTOs and their growing and potential future contribution to meeting the needs of diverse industries, regions, people who have disabilities or who are disadvantaged.
- ensure that the sector develops consistently and with best practice.
- ensure it continues to contribute to the economy, responding to skill requirements, generating jobs and revenue
- maximise its potential to deliver training/skills in areas of need, including areas of growing social need (eg. training indigenous health workers, dieticians in remote areas, or training aged care workers) as well as areas of commercial industry need (eg. agriculture

and natural resources industries, technology innovation, waste management and recycling, digital media).

- ensure that the needs of this sector are addressed in government policy, along with the needs of other similarly dispersed sectors which have a growing role in the state's economic growth and future.
- ensure that productive partnerships and collaborations are fostered between the private training sector, the public education/training sector, government bodies and NGOs.
- support private registered training organisations in their contribution to Queensland's economy and society.