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Committee Secretary
Senate Education and Employment Committee
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Dear Committee Secretary

**RE: National Vocational Education and Training Regulator (Data Streamlining)
Amendment Bill 2023 [Provisions]**

The Australian Chamber of Commerce and Industry (ACCI) appreciates this opportunity to provide comment on the National Vocational Education and Training Regulator (Data Streamlining) Amendment Bill 2023 [Provisions].

While there are benefits associated with Vocational Education and Training (VET) data streamlining through enhancing the process of data collection and storage, and minimising errors and inconsistencies for both governments and businesses, this streamlining must be highly accurate and contextualised. As such, ACCI has noted a number of consequences of the legislation that must be carefully considered.

First, the bill grants the Secretary of the Department of Employment and Workplace Relations (DEWR) the authority to allow the collection of information by Registered Training Organisations (RTOs) during their operations. The legislation, however, lacks specific requirements on the method and frequency of data collection, thus making it difficult to estimate the associated costs. RTOs (many of which are small businesses) are likely to experience a financial impact. As noted in the Explanatory Memorandum, the additional compliance burden will come at a cost to RTOs, yet the Financial Impact Statement suggests no financial impact. This burden will ultimately be reflected in potentially higher fees for students.

Second, the bill appears to authorise the Australian government to publicly release the number of students enrolled with an RTO, and potentially other RTO-specific data, without providing any substantial justification in the legislation or accompanying Explanatory Memorandum. For independent RTOs, this information can be perceived as commercially sensitive. As such, it would be beneficial for government to consult with the independent skills training sector.

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Third, the limitations of data collected through the VET data streamlining (VDS) initiative should be noted:

- The data collected is not intended to support performance monitoring. While the collection and analysis of aggregated student data for performance monitoring purposes is a positive development, the tools must be specifically designed for this purpose. Indeed, activity reporting and performance reporting are distinct types of reports that offer insights into the progress and status of skills funding. Activity reporting primarily focuses on raw metrics such as enrolments and completions. In contrast, performance reporting contextualises outcomes and results to evaluate the effectiveness of the skills training system, taking into account factors such as student cohorts, geographic location, and industry occupation.
- The data to be collected through the VDS initiative is principally quantitative, (including completion rates and employment outcomes), which may not fully capture important qualitative aspects such as training quality and learner experience. To address this limitation, supplementing VET data with other sources of information such as learner and employer surveys, qualitative assessments of training quality, and analysis of broader economic and social trends may be necessary. These assessments should enable a more comprehensive evaluation of the skills training system.
- The bill appears to endorse the use of VDS information for purposes that are not relevant, and does not provide sufficient evidence to draw definitive conclusions. Therefore, it is important to consider the limitations and potential biases in the data and analysis when making decisions and policy recommendations based on this information.

Fourth, the bill confers new powers on the DEWR Secretary to authorise the collection, use, or disclosure of information for the development, operation, maintenance, or testing of the VET data system. While the legislation outlines the process for granting these authorisations through the Ministerial Council, it does not provide detailed information about the nature of the instruments or the obligations that the Secretary may impose.

Concerns have been raised that the delegation of these powers may impose compliance costs on independent RTOs and the value of collected data, and any requirements associated with mandatory reporting obligations should be established through regulations that allow for parliamentary oversight and accountability of the regulatory process. This will enhance transparency and ensure that if the regulations are not in the public interest, they can be challenged and disallowed by parliament.

As previously stated, by and large, ACCI endorses the VDS initiative as it has the potential to improve the accuracy, consistency, and quality of collected data. However, there remain some issues that must be rectified to ensure the program's success.