Costing and Pricing of VET Products and Services
Costing and Pricing of VET Products and Services

Introduction
Introduction to

Costing and Pricing of VET Services and Products

Manual, Supplement and Tookit

The full Manual, Supplement and Toolkit can be found on the SDC website: http://www.sdc.admin.ch/ei

In the web version links to components of the Manual, Supplement and Toolkit can be found throughout the Manual.

The Manual, Supplement and Toolkit will also be distributed on CD-Rom.
On behalf of SDC/Employment and Income Division:

The Swiss Agency for Development and Co-operation Employment and Income Division Freiburgstrasse 130, CH 3003 Berne, Switzerland.

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Skill , Nepal
Sano Thimi Technical School, Nepal
BETC, Australia
Kumbeshwar Technical School, Nepal
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Background to VET Manual, Supplement and Toolkit

VET in Society

The VET sector is an important component of the education system of every country.

VET provides a key role in providing education and training for work, including self employment

Typical VET products and services include:

- Pre-employment training
- Generic or employability skills training
- Upskilling existing workers’ skills
- Targeted equity training for disadvantaged people
- Fee for service or enterprise training

Rationale for the Manual

Although VET systems vary from country to country as from centralised to decentralised and dual systems, or from supply to demand driven, all have similar objectives, training for work.

VET training institutions are faced with many obstacles and hindrances, both internal and external factors can affect their operations. Some common problems include:

- inadequate funding,
- competition from other institutions,
- inappropriate facilities or lack of space,
- attracting and retaining staff,
- lack of knowledge and information,
- collecting fees from students,
- civil unrest and unsuitable financial systems to accurately cost and price services.

VET practitioners need up to date resources and information on good practise and changes that are taking place in the VET sector.

As training markets develop and funding/financing providers require increased accountability, it is essential that training organizations are able to accurately cost and price their services.
The Objective of the Manual

The Manual will focus on providing information on VET systems around the world, with examples of good practise and in particular the costing and pricing of services and products. The Manual also includes a section on financing VET operations.

Practitioner Input

To determine content for the Manual, input was sought from a total of 40 VET institutions, together with examples of good practise from: Asia, Europe, South America and Australia. The information is based on real life experiences and needs expressed from these institutions. The author would like to thank these institutions for their contributions.

Users of the Manual

The Manual is intended for VET practitioners: VET institution Managers, Financial Controllers and Course Co-ordinators. This includes private, public and para-public training institutions - from small training providers with a few staff to large training institutions. The Manual’s Financial sections can be most effectively used by VET institutions that are able to implement financial management systems and supporting policies to cost and price their services.

This Introduction

This introduction will give you a summary of each section of the Manual and Toolkit. You will be able to determine which sections or parts of sections are useful for you.

The financial information is supplemented with sample templates in both Excel electronic spreadsheet format, which can be modified by users, and PDF for printing.

Manual (Part 1)

The first part focuses on providing a definition of VET and a background in VET in different countries, including factors that affect costing and pricing, planning issues and labour market influences. It includes information on financial systems and costing of a range of VET services and products. Also methods of financing these services and recent trends in VET delivery. Real life experiences and examples of good practise are included.

Each section contains:

- References to the Supplement
- References to the Toolkit
- Bibliography with references and websites

Supplement (Part 2)

The Supplement amends the Manual by offering some more detailed information on selected important topics. These contain lists, templates, brief theoretical explanations, examples and the like.

Toolkit (Part 3)

This third part completes the Manual by providing a variety of practical tools including templates, spreadsheets, worksheets, schedules, summaries and case studies. These are ready-to-use forms and checklists only to be adjusted to suit individual institutions and their costs.

The three parts of the Manual complement one another to the full resource. The following synoptic view shows which topics, sections and items fit together.

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Costing and Pricing of VET Products and Services

Part 1: Manual
On behalf of SDC/Employment and Income Division:

The Swiss Agency for Development and Co-operation Employment and Income Division Freiburgstrasse 130, CH 3003 Berne, Switzerland.

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I. Introduction
I. Introduction

1. Definition of VET
Vocational Education and Training (VET) is education and training for work.

“VET is taken to encompass all educational and instructional experiences – be they formal or informal, pre-employment related, off-the-job or on-the-job that are designed to directly enhance the skills, knowledge, competencies and capabilities of individuals, required in undertaking gainful employment, including self employment, and irrespective of whether these experiences are designed and provided by schools, public training institutions, or higher education institutions, by private training providers or by employers in industry.”¹

Increasingly generic or employability skills are being taught in VET to enhance trainees chances of gaining employment.

“VET should deliver both foundation and specialist skills to private individuals enabling them to find employment or launch their own careers, to work productively and adapt to different technologies, tasks and conditions.”²

This would lead to improved personal and social productivity. Governments often intervene in VET to ensure equitable access to vocational and educational training services.

“Vocational education and training systems are networks of organizations providing different training and education services to different national authorities.”³

In developing countries where there is often a shortage of resources, VET systems are usually centralised while in most developed countries VET is decentralised between national, state, regional and community levels.

Check Supplement 1: Influencing factors on VET delivery to have a closer look on factors which influence the VET activities in different countries.

2. Typical VET Services
The Manual will focus on three VET service clusters
- Vocational training, including pre-employment, basic education and generic skills; technical training
- Labour market training: for disadvantaged people
- Enterprise and fee for service training.

¹ Maglen 2001
² Gasskov 2000: p. 5
³ Gasskov 2000: p. 11
Vocational Training: Pre-Employment, Technical and Generic Skills

This type of VET service offers pre-employment and technical instruction. Most courses are short: up to six months though some may be twelve months part time. They normally take place in vocational and technical schools and colleges. The majority of training is time served with fixed course length with skills assessment based on national standards.

Distance learning, for mostly rural people can be delivered through a range of technologies. Mobile training can also be effective in taking the training to the learners.

<table>
<thead>
<tr>
<th>Box M-01</th>
<th>VET in Secondary Schools</th>
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<tr>
<td>In Australia VET courses are offered to students in years 11-12 (16-18 years) in business, clerical, hospitality, hairdressing at their secondary school and in Technical Colleges. Students complete modules, which can be articulated into VET institutions, thereby reducing the subjects and time needed to complete the course. In 1999, 37% of senior students participated in VET. 86% of schools offered VET courses.</td>
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</tbody>
</table>

Box M-01: VET in Secondary Schools

General education schools are increasingly getting involved in entry and low level VET programs for young people.\(^4\)

Vocational training can be financed by government, business and trainees or combinations of all three. In developing countries the majority of financing is likely to come from the central government.

Flexible training has been introduced in some countries called Competency Based Training (CBT). This recognises that students learn at different speeds, progressing when they are assessed at being competent at a defined skill or knowledge. Theoretically this can shorten the length of training. CBT has different costing pricing and financing mechanisms. Great Britain and Australia have introduced CBT. For time served training the cost is often calculated on a cost per student per year for different industries.

The teaching of generic skills

The teaching of generic skills, sometimes called employability skills is gaining acceptance by VET institutions.

“The incorporation of generic employability skills into training packages and VET programs will provide enterprises with the skilled people they require to respond to the needs of the modern economy and help individuals meet the changing demands of the workplace.”\(^5\)

Training providers recognise that the teaching of generic skills enhances their graduate chances of finding employment. Employers while often reluctant to

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\(^4\) Wheelan 2003: p. 3

teach these skills themselves value and include them in their recruitment strategies. VET institutions will need to resource the delivery of these skills and train their staff in delivery and assessment. Those skills must be supported by government and certified.

Although generic skills have been taught for some time in VET institutions there is still debate over the definition, how they are taught, in what context and how they are assessed. Common elements include: basic skills (literacy), people related skills, conceptual/thinking skills, business skills, community skills, personal skills and attributes. VET institutes need to identify and prioritise the generic skills that are relevant for their courses. For deeper information on generic skills check Supplement 2: *Generic skills*.

**Labour market training**

Labour market training is a government intervention aimed at providing equitable access to disadvantaged groups e.g. youth, women, disabled people, unemployed, caste, ethnic or religious groups. It covers a broad range of job related programs from short entry level pre employment courses to longer skills based courses.

Governments often specify outcomes and targets with incentives offered for training providers e.g. payments to providers whose graduates are employed for a specific period following the training. Labour market programs align with labour market needs as much as possible at that time.

Labour market training could include:
- skills based training for the unemployed,
- retraining for retrenched workers,
- upgrading courses for employees.

**Enterprise or fee for service training**

"Covers instruction provided or financed by employers usually from small to medium sized enterprises, for their employees, either voluntarily or in compliance with regulations set by government."\(^6\)

Government financing of this training can be met through a variety of regulations eg. training levies on industry fixed at a percentage of payroll, fixing the minimum level of training expenditure and number of trainees.

VET institutions provide fee for service training for employers – usually short courses aimed at improving productivity and efficiency. Fee for service courses are also conducted for NGO’s and INGO’s often under contract and targeted at a specific group of people.

It is essential that these courses are costed and priced to achieve targeted outcomes and quality training.

\(^6\) Gasskov 2000
For further information on recent trends in VET delivery check Supplement 3: *Recent Trends in VET Delivery*. A short review of the changing VET market is given there.

**Supplement Items**

There are three supplements completing this section of the Manual. Check them if you're interested in a more in-depth knowledge on the topics handled:

- Supplement 1: Influencing Factors on VET Delivery
- Supplement 2: Generic Skills
- Supplement 3: Recent Trends in VET Delivery

**Toolkit Items**

There are no Toolkit Items intended for the introduction section.

**Bibliography**


Australian National Training Authority – Directory for Resource Allocation 2003

II. Financing VET Services and Products
II. Financing VET Services and Products

“VET funding can be sourced through the private funds of companies or individuals, their families or households, from the government or by other means such as grants from donors. The funding can take place directly or indirectly in the form of supply or demand-side financing. The routing of funds may be done through the government eg via tax collection or levies or through the affected parties through tax relief or tax deductions.

Each combination will send signals to the parties involved; enterprises in particular will react to incentives or disincentives to engage in VET.

Financing of VET is closely interlinked with poverty reduction. It serves to create choices for people within training and labour markets”.

Financers whether they be government, private or donors are increasingly requiring more accountability in relation to both financial accountability and outcomes. Political, economic, social and cultural factors have a strong influence on financing. In most developing countries the public sector tends to be the major financer of VET.

“Financing VET implies not only sources of funding, but also the manner in which financing is organised, who receives training funds, for what purpose and on what conditions”.

In this section we look at the types of training and who pays for it. There is no “best practice” model, all have advantages and disadvantages, with most countries adopting a range of funding mechanisms most suited to their situation. These arrangements may be short or long term to achieve a specific outcome e.g. training of unemployed people or training for specific skills outcomes.

Types of training
Pre-employment training:
- General education
- Literacy
- Job search training
- Generic skills training.

Continuing vocational training:
- Upgrading skills
- Technological or organizational change training
- On-the-job training.

Training for the unemployed:

7 Lipsmeier: op cit n1, p. 6
8 Gasskov 1994: p. 150
Labour market training – short skills based
- Retraining and retrenched worker training.

1. Who should pay for the Training?
VET is conducted for the benefit of both trainees and employers, with an additional benefit to the community as a whole.
These are sometimes defined as “private” and “social” benefits. “Financing usually comes from a variety of sources with differing mixtures in developed and developing countries”. The financiers will contribute according to their own interests and goals.

“Government budgets, aimed at promoting economic growth and increasing employment are one of the major sources of VET funding. Governments view this as their responsibility to provide entry level vocational training. This is when the private sector is unwilling or unable to undertake this training”. Government financing may be complemented and/or substituted in part through community financing (direct or fund-raising) or, in development work through donor financing”.

The following funding agencies (often also known simply as, financiers/finders) can be considered:
- State (central or regional government, municipalities etc)
- Private individuals (learners/clients or their families)
- Employers/enterprises (employer organizations)
- Employees (employee organizations)
- Independent (profit or not for profit) executors
- International organizations (INGO’s).

Financing goals
General goals:
- Increasing the efficiency of vocational education measures
- Contribution of the finance model to improving social justice.

Specific goals:
- Adapting the range of training and further training opportunities to individual demand
- Covering society’s requirements for qualifications
- Achieving high quality training and further training

9 Gasskov 2000: op cit n1 p. 14
10 Gasskov: op cit n2 p. 3
11 Jägger 2003: p. 6
12 Lipsmeier: op cit n4 p. 47 (Adapted)
- Avoiding discrimination of certain potential client groups in the VET system
- Reducing the spread in quality of training and further training
- Avoiding structural inequalities between vocational learning programs and the need for qualifications in the employment system
- Reducing as far as possible the costs of regulating and administering training and further education.\(^\text{13}\)

VET funding can be geared towards sections of the labour market where there are skills gap shortages or career opportunities.

“Other considerations are socially or politically motivated:

Policies orientated towards poverty reduction and equity of opportunities may subsidise the training of vulnerable groups and people living in remote areas.

Processes of restructuring the economy and the labour market from agricultural predominance to industry and service-orientation are usually accompanied by VET in order to facilitate employment in non-agriculture jobs.

Governments see the provision of skilled labour as an added advantage to attract foreign investment.

Maintain or strengthening competitiveness in export markets often requires support through specially designed VET measures.\(^\text{14}\)

Co-financing is seen as a promising development, with public training organizations given the option to raise revenue through selling services independent of their core (public) funded activities.

**Government role in financing**

In addition to public responsibility for providing entry level training, VET institutions are expected to provide transferable qualification, within the country which is considered in the public interest.

These benefits accrue over a long period of time and contribute to the nation’s common wealth.

“Public funding is widely perceived as having the power to create equal training opportunities for individuals and employers. Improved productivity and employment promotion are usually regarded as the most important priorities. Thus; public financing of training is justified as long as trained workers can be absorbed in employment or in gainful self employment”.\(^\text{15}\)

Governments usually take on the role of retraining and short-term labour market programs for the unemployed or people disadvantaged through race, religion,

\(^{13}\) Lipsmeier: op cit n3 p. 45. (Adapted)  
\(^{14}\) Lipsmeier 2003: p. 37  
\(^{15}\) Gasskov: op cit n3 p. 4
disability, age or gender. They may seek co-financing for their training programs and contract national, state, private or public providers to conduct this training. Financing roles of different public institutions differ in every country. While there are advantages in decentralising training, management and delivery to the local level, in recognition that local providers are more familiar with training needs and the operating environment, this can be costly and result in regional distortions creating areas of advantage and disadvantage.

**Employers role in financing**

“Employers are the second major source of VET financing, in some (developed) countries their contribution outweighs that of government. In theory they receive benefits in the form of higher productivity and profits”.

Employers are more likely to invest in training for workers if they are confident they will receive a return on their investment i.e. if workers will stay long enough following the training to provide a (productivity) benefit. Employers may conduct training themselves or contract training out to training providers. Larger enterprises often take a long term view of profitability, in relation to return on investment for training. In Germany for example, under the “dual system” of training, employers often make a significant contribution to training apprentices.

The trainees’ productive work on-the-job is generally far below their training costs. The government is prepared to make a national loss on training for long term benefits. In most countries it is difficult to get small enterprises interested in training, more so in developing countries. Employers are concerned primarily with short term gains and would prefer to train on-the-job, outside of the formal training system.

**Job seekers**

In principle trainees should finance the full cost of training, since they are the major direct beneficiaries”. Because of the increased post training value of their skills they can expect high earnings. Individuals can finance their training by accepting reduced wages during training.

Trainees also use family savings to fund their training. However trainees who are often school leavers cannot always afford the full cost of training so governments, NGO’s or INGO’s subsidise this training.

In addition, as many VET systems are “supply driven” there is no guarantee of employment as often there are more graduates than available employment places. This further reinforces the argument for subsidisation.

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16 Gasskov: op cit n4 p. 3
17 Gasskov: op cit n5 p. 3
It is generally regarded that trainees are more selective in their choice of training, more motivated and likely to complete if they make a personal contribution to their training.

**Community financing**

Co-financing of training with the community can include cash and in kind contributions. The following Box M-02 states an example from Nepal:

Local community, NGO’s and religious organizations may contribute in partnership arrangements.

<table>
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<th>Box M-02</th>
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<tbody>
<tr>
<td>SKILL Nepal is a project of Helvetas, Nepal implemented in 1992.</td>
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<tr>
<td>SKILL’s aim is to impart skill-orientated training programs in the informal sector to disadvantaged people who do not have Access to formal training.</td>
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<tr>
<td>This has been achieved through forming partnerships with local communities and delivering training through mobile training to rural areas.</td>
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<tr>
<td>SKILL Nepal is regarded as one of the pioneers and most effective providers of mobile skill training in Nepal.</td>
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<tr>
<td>In 2002 SKILL Nepal received funding from UNESCO to implement skills based training for 16 adolescent girls who were early school leavers in &quot;computer operations, repair and maintenance&quot;.</td>
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<tr>
<td>The objective: to impart hands on skills in computer repair and maintenance to enable them to find employment. Prior to the training a market analysis was conducted to determine if jobs existed for people with these skills.</td>
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<tr>
<td>The course was conducted at premises provided by the Trivanta Cooperative School’s premises in cooperation with the Bungamati Village Development Council. The course length was 561 hours, 4 hours per day, 6 days per week.</td>
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<tr>
<td>The employment rate following the completion of the course was 100%.</td>
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Religious institutions often run their own training institutions and schools with government subsidies.

Box M-02: Skill Nepal

A likely result is that this may create regional disparities, with only better off communities being able to afford contributions to training.

**International Non Government Organizations (INGO’s)**

INGO’s contribute to the establishment and ongoing VET financing in developing countries. This includes the formal sector, public institutions and funding for labour market programs. They are increasingly wanting a higher level of accounting for financing and funding tied to outcomes and targets. A common challenge
is that INGO’s offer an amount for training which may not reflect the actual cost of the training.

2. Management Approaches to Financing

There are some basic approaches to manage the financing of VET services and products, each having its own benefit and shortcomings, depending on the situation of the VET sector in the country. The following will be depicted briefly:

- Funds disbursement
- Output financing
- Investment financing
- Tendering
- Market orientated voucher systems
- Enterprise sponsoring
- Individual sponsoring

**Funds disbursement**

Used in both developed and developing countries. Funds are provided to cover both direct and indirect costs, “irrespective of the types of programme they deliver, enrolments and outputs, budgeting and funding per institute rather than for output.” This system assures institutions of ongoing secure funding. The disadvantage is that there may be no direct linkage to labour market demand, training people for non-existent jobs. Efficiency and cost effectiveness can suffer.

**Output financing**

Financing is dependent on established priorities, outcomes and outputs (targets). This can include: the successful number of graduates and achievement of employment targets.

> “These schemes usually incorporate mechanisms for measuring performance and outputs/outcomes and they link funding to achieved outputs.”

Output financing also assumes that courses will have different enrolments and course costs will vary with the more sophisticated courses being more expensive. The disadvantage of this is that institutions may undertake “creaming” i.e. taking students who have the most likely chance of success. This may require government intervention to ensure equity groups have access to training.

Validation of graduates’ income and employment is best conducted by an independent organization to ensure authenticity. Tracer studies (see Manual Section IV, 6), which are commonly used to track graduates employment are not always

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18 Gasskov: op cit n7 p. 198
accurate, employment and employability can be affected by factors unrelated to the training.

**Investment financing**
This approach views training as an investment, in social and private rates of return. Programming and management decisions in relation to resource allocation can be made on the basis of expected cost effectiveness and rates of return. This approach relates to a commonly held view that governments have a social responsibility to provide entry level training on an equitable basis, and that this training cannot be fully provided by other providers or market forces.

**Tendering**
Governments are increasingly using tendering as a mechanism for delivering entry level training. This works well in a developed training market where there are a number of established training institutions. Tendering can be cost sensitive – price is a factor in decision making or the quality of the tender (in relation to meeting the criteria) is the main consideration.

In this latter situation the price is usually fixed. Alternatively the tendering decision could be based on the tender quality and price, with a weighting given to both. If it is a national tender, larger organizations have a distinct advantage as they can tender over a wider area, reducing the number of contracts the government enters into.

Smaller organizations have the advantage of having better knowledge of local labour markets and networks within the community. Capacity to deliver, flexibility, the ability to be able to respond quickly to tenders, past performance and the ability to harness additional resources to deliver the training are important considerations for tenders and purchasers.

**What is Tendering?**
A tender is prepared by a funding organization, government, NGO or INGO wanting to provide training (and often employment outcomes) targeted at a particular group of people and/or a specific geographical location.

For example: An INGO may advertise a tender in the national paper to conduct a six week computer training programme for female early school leavers in an large city.

Tendering is more effective in a developed training market where there are a number of training providers who can apply.

The tendering organization is able to make a choice on the basis of the quality of the tender bid, against established criteria, which may include cost.

Tendering is not the same as preparing a funding proposal to conduct a training course. Although the same principles of costing and pricing apply.
The Rationale of Tendering:
Competitive tendering is increasingly being used by governments and financial organizations to deliver VET services, particularly in areas or countries where there are well developed training markets.

Tendering Forms:
Tendering usually takes two forms:
- Fixed Price Tendering – based on enrolments or study contact hours and sometimes on employment outcomes.
- Price Competitive Tendering – based on above and where price is considered as a factor in the selection.

The purchaser may offer incentive funding i.e. an incentive payment for achieving specified employment outcomes or link the final payment to achieving specified outcomes. For a more closer look in the steps of tendering and some hints for writing a tender resignation check Toolkit Items 1: Steps in the Tendering Process and 2: Tender Writing Tips.

How are Successful Tenders Selected?
A case study from Australia shows how tenders are selected there (Box M-03). For a more close look on what purchasers look for in an tendering process, check Toolkit Item 3: What the Purchaser Looks for.

Market orientated voucher systems
Training voucher programs are used to develop training markets.

“Voucher programs are designed to ensure the sustainability and competitiveness of the training market through consumer knowledge of the availability, popularity and benefits of courses offered by a variety of training providers”.19

They are not used where there is a well developed training market eg where there are a number of providers delivering entry level training. The exception is where vouchers are issued to disadvantaged groups who could not otherwise afford to attend.

19 Goldmark 2001: p. 3
Box M-03  Case Study: How are successful tenders selected?

“Successful tenders will be selected on the basis of the best value for money. This does not necessarily mean the cheapest tender. Value for money will be assessed by reference to the following:

- How well they address the requirements of the tender brief
- Quality of the project planning, including timelines, budget and resource allocation
- The clarity of the explanation of the strategies
- The experience and capacity of the project team, including:
  - a proven record in developing competency based curriculum
  - a proven record in meeting timelines
  - personnel with relevant experience to the project needs
  - a record of comprehensive consultation with key stakeholders
- any extra value created by the project
- the tender price in relation to the above”.

Australian National Training Authority (ANTA): Standards and Curriculum Council

Box M-03: Case Study – How are successful tenders selected?

Vouchers can be issued to micro enterprises to distribute to intending and unemployed people for training at their business. They are designed to lessen risk for the consumer and training providers are assured of payment.

Key Components of a Voucher Programme

“Based on experience in several countries, a voucher programme should include five key components:

- an incentive structure that sets the conditions on the value of vouchers, their distribution, and a quality based redemption system
- a voucher fund which offers a partial, direct consumer subsidy designed to have significant market scope
- an information and referral system that distributes information to seekers and providers of business development services
- a supervision and control system which audits compliance with the system
- an exit strategy (such as a predetermined time-frame to lower subsidies, and/or lower subsidies to frequent users).”

Figure M-01 shows the key issues sequence of a voucher programme.

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21 Gminder: op cit n1 Page. 28 (Adapted)
Figure M-01: The Sequence of Main Steps in a Voucher Programme

For a closer look on the implementation of a voucher programme check Toolkit Item 4: Implementation of a Voucher Programme.

When are they implemented?
When there is a critical mass of training providers. This is difficult in rural areas where there are fewer providers.
In response to difficult economic situations.
Governments decide to increase their investment in training.
Voucher systems work best when:
  - They are more likely to be successful in urban markets where there are a large number of training providers.
  - Or in mid level towns where there is a high demand for training and no oversupply of training providers.
  - Consumers have a choice between training providers.
  - There is a market assessment to ensure there will be sufficient takers.
  - They are the main source of finance for courses on offer.
  - Training providers participation is voluntary.
  - An exit strategy is planned on completion of the programme.
  - Strengthening of training providers is undertaken during the programme.
  - There is a danger of providers becoming reliant on the voucher system for income.
  - There is a good administrative system to support the voucher programme.
- Consumers have good information on courses available, times of training and length of courses.

### Box M-04: Vouchers in Latin and Central America

The concept of vouchers or coupons is developing in Latin America. Since 1995 programs have begun in Ecuador, Paraguay, Peru, Bolivia, Argentina and Nicaragua. The programs in Ecuador and Peru are large and run by the Inter-American Bank of Development (IDB) and the National Financial Corporation (CFN).

The programs operate over wide geographical areas, with a budget generally between US$1-3m, targeting micro enterprises. As there is no developed training markets, programs are dependent on state owned or not for profit providers. Since these providers survive on subsidies, they are less likely than private providers to learn to develop products that will generate profits after the programme ends.

Determining how many private providers exist and how to attract new ones is a challenge for administrators.

In 2001:

<table>
<thead>
<tr>
<th>Country</th>
<th>Distributed</th>
<th>Target</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ecuador</td>
<td>39,488</td>
<td>57,200</td>
<td>69%</td>
</tr>
<tr>
<td>Peru</td>
<td>7,550</td>
<td>32,000</td>
<td>24%</td>
</tr>
</tbody>
</table>

### Box M-05: Case Study: Training Voucher Programme – Peru

In Peru, Swisscontact together with ministry of labour, initiated a training programme for Small and Micro Enterprises using the voucher approach.

The project is funded by the National Fund for Promotion of Employment, Swisscontact is in charge of fund management and technical assistance to the project team.

BONOPYME offers training vouchers to entrepreneurs or their employees, who can get discounts up to 75% on the cost of more than 800 accredited training programs. The voucher for technical assistance allows entrepreneurs to contract consultancy services to improve operations. A scholarship voucher facilitates the induction of graduates from vocational schools to gain work experience in SME’s.

Training programs are mainly offered by NGO and academic institutions both public and private. Technical assistance is provided by local consultants, the principal partner for the scholarship component are public and private vocational training schools and entrepreneurs.

### Box M-05: Case Study – Training voucher programme – Peru
Enterprise sponsoring
Enterprises can arrange for off-the-job training for their employees. This can be done during work or after hours.
Training can be provided at a work site or at the training institution. These courses tend to be short and are linked to an identified need eg. improved sales through customer service training or the introduction of new technology.
Employers expect a return on this investment in the form of increased productivity and profits. Employers hope that the trained workers will stay in their employ. This is often given as a reason for not investing in training i.e. workers with new skills will leave or ask for more pay.
Because of these reasons the training tends to be directed towards mid and upper levels of employees, with the bulk of training for unskilled and semi skilled workers usually occurring on-the-job.
In a competitive training market employers will select training providers based on:
- Reputation and experience in their choice of training
- Accreditation (for short non accredited courses this may not be important)
- Cost competitiveness
- Availability (providing training at a convenient time for their employees).
As cost is a major factor for employers, training providers need to be aware of market prices in a competitive market.

Individual sponsoring
Individuals are able to finance their training through a number of mechanisms including individual contributions and external assistance.
These include:
- Student fees
- Training allowances and credits
- Student loans
- Scholarships and grants
- Stipends
- Vouchers for a guaranteed sum.

Some allowances are linked to labour market programs. Currently in Australia unemployed people are eligible for a training allowance, to be spent at the training provider of their choice, after completing 26 weeks of a work experience programme, valued at $800, funded by the Federal government.
In this case the government has intervened to direct training at a selected group, long term unemployed. For a tabloid display of funding schemas / sources check Supplement 4: Synopsis of funding schemes and funding sources for VET.
3. Cost Sharing and Co-Financing Mechanisms

Five commonly used mechanisms are to be described in short:
- Traditional traineeship - apprenticeship schemes
- Dual systems
- Revenue generating levy schemes
- Levy exemption schemes
- Levy grant / reimbursement

Traditional traineeship - apprenticeship schemes

“In traditional apprenticeships costs are usually shared between the trainee and employer. The trainee accepts lower wages than he or she could earn elsewhere. The employer bears the cost of providing training and the apprentice allowance, while keeping the income from the sales of trainee-made products and services”.22

Employers often assist with providing accommodation for apprentices in developing countries.

Dual systems

Dual systems are emerging as a form of apprenticeship training. These have been practiced for some time in countries such as Switzerland and Germany and now in developing or transitional countries. They comprise a direct contribution from the trainees (student fees) and the employers (wages) while the training institution based “off-the-job training” is subsidised by government.

Other course components eg specific courses or skills tests are organised or financed by employer associations. In Australia costs are shared, as above, with apprentice wages established under national wage awards. (See Box M-06)

22 Jägger 2003: p.10
Box M-06 Australian new apprenticeship programme
National training wage

To encourage employers to take on a trainee or apprentice a national training wage has been introduced in 1994 and reviewed annually. The wage covers 128 nationally accredited training packages from certificate levels I to III. Wage levels are divided into A, B & C skill levels. The wage is based on the highest year of schooling completed (year 10, 11, 12) plus the number of years out of school.
The highest wage being for a year 12 graduate, 5 years out of school.
An adult trainee undertaking a certificate LV course receives a higher wage for a 2 year traineeship based on A, B, C skills levels.
There is also a wage for part time school based traineeships.
Employers are offered financial incentives to take on disadvantaged people eg disabled new apprenticeship wage support, disadvantaged mature aged (over 45) apprentices.

Box M-06: Australian new apprenticeship programme – National training wage

Apprentices are tested against national skills standards administered through state accredited training institutions. Employers are offered a subsidy from the government to engage an apprentice, which normally lasts for four years.

Revenue generating levy schemes
Governments introduce employer training incentives for economic and strategic reasons, primarily as a means of establishing VET institutions. This is usually achieved through a compulsory tax on enterprises (sometimes related to their size or turnover) administered by governments to finance private and public VET institutions. These mechanisms may be short, medium or long term, with the view to increase national productivity. Employer subsidies have advantages and disadvantages.

Advantages of these levy schemes are:
- Reliable source of funding VET – in developing countries where funds are short
- Strengthening VET institutions
- Can be centrally developed
- Provide financing for training disadvantaged groups.

Disadvantages are:
- Training fatigue (amongst employers)
- Training for training sake with no immediate benefits
- Revenue may not all go into VET but into consolidated revenue
- Employers may not receive training services in proportion to tax paid, also their employees may not need training
- Difficult to administer and creates bureaucracies.
Requirements for their success are:
- Sufficient number of enterprises to generate revenue
- A functioning tax collection system
- Good government employer co-operation. 23

Levy financed VET institutions should be made transparent and accountable to employers and the general public. Part levy exemptions

“There are exemptions which allow firms to spend a proportion of their payroll levy bills internally to cover enterprise based training, or a fixed percentage of their payroll can be spent on-the-job training”. 24

In Japan for example Employment Insurance scheme subsidises employers’ costs of vocational training programs and maintains public VET institutions. Employers and workers pay into the scheme. “The payroll levy consists of a percentage of enterprise payrolls at a fixed rate per hour or a fixed rate per employee”. 25

Taxes on work contracts and exports

These are training funds generated through taxes on enterprise turnover of particular goods and services. In the state of Queensland, Australia, the purchasers of construction services are obliged to pay levies which are calculated as a percentage of the cost of building. Part of these funds are used to fund a technical training centre for apprentices entering the building and construction industry.

Levy exemption schemes

“A levy exemption mechanism allows firms to eliminate or reduce their levy obligations by the amount of training they provide or purchase.” 26 This assumes that enterprises know what their training needs are and will spend their money on appropriate training. Enterprises are exempt from paying the levy and the money remains with the organization.

This scheme is supervised by the government.

Advantages:
- Low cost to administer
- High employer satisfaction, freedom to choose training.

Disadvantages:
- Money may be spent ineffectively by employers and employees
- An individual (enterprise) rather than a selected approach to financing.

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23 Gasskov: op cit n8 p. 61 (Adapted)
24 Gasskov: op cit n9 p. 65
25 Gasskov: op cit n10 p. 232
26 Gasskov: op cit n11 p. 240
Levy grant / reimbursement

"Levy grant funding schemes use payroll contributions collected from enterprises and distributed between firms as grants".27 Grants are distributed on a case by case basis and may not correspond to an enterprise's levy payments. Enterprises that actively train may receive more funds. "Levy reimbursement schemes reimburse training costs to firms. Firms’ individual training expenditures are closely linked to their levy contributions".28

Training bills are sent to the administrators of the scheme.

Advantages:
- Schemes can be selective in funding the most appropriate training
- Training can be directed at industry wide training initiatives.

Disadvantages:
- Costly administration
- Good management is required
- Levy organizations may not meet the criteria for training.

4. Self-Financing Training Institutions

Training institutions can earn income through renting out their facilities eg. training rooms, computer laboratories, when they are not in use. They can also sell products and services that are produced by students, these are sometimes called “Production institutions”. This is only likely to generate a small amount of income.

However, this has a number of advantages:
- The institutions/schools can achieve full financial independence
- Schools are linked closely with markets and the business community, suppliers, traders etc
- Graduates have a good opportunity of graduating with skills in market demand.

In this context institutions must have a high degree of autonomy and independence, with sound management and community support. Costs are likely to be higher ie. equipment and materials. All courses, both short and long, must be financed from income from sales.

Box M-07 shows an example of a community based self-financing school in Nepal.

27 Gasskov: op cit n12 p. 18
28 Gasskov: op cit n13 p. 240
5. Financing Labour Market Training

“Labour market training involves entry-level courses, employee upgrading programs and re-training for the unemployed, which may be conducted by general education and vocational institutions, special labour training agencies, enterprises or private institutions”.29 Funding is provided through government unemployment assistance programs and in some countries, unemployment insurance funds are also used to conduct training courses.

Direct funding

“National labour market training agencies have been instituted in almost all industrial countries. They aim to train young people, re-train the unemployed and offer upgrading programs for workers”.30 Their aim is to train people for existing or projected jobs. They can be large national organizations or smaller organizations that tender for contracts.

29 Gasskov: op cit n14 p. 218
30 Gasskov: op cit n15 p. 219
Box M-07 Case Study: Kumbeshwar Technical School (KTS), Nepal

A community based self-financing school.

KTS commenced in 1983 as a day care centre also teaching literacy and community health. In 1995 carpet weaving and carpentry began and the vocational training Centre in 1997.

Objectives:
To en-power socially and economically disadvantaged people and increase their access to employment opportunities through education and training.

Target groups:
Underprivileged people with no land, not enough food, from lower castes, as well as women from destitute families.

KTS has developed 6 core programs for the community. KTS has three large buildings which were built with help from international donors.

KTS receives no government funding, ongoing “sponsorship” continues from international donors, the bulk of the funding comes from the sale of products, knitwear and carpets to Japan, Europe, U.K., Denmark and Australia.

The vocational school has three main programs:
- short term in carpet weaving (4 months) and hand knitting (2hrs/day, 3 months)
- and longer term in carpentry (2 years).

Students do not pay fees and are provided with a small allowance. Entry requirements have to be low and flexible to give access to the most disadvantaged.

Annually over 1000 people benefit directly from KTS activities and 5000 indirectly.

KTS manages a nursery and primary school, 230 students attend free of charge. A day care centre is provided for the children of women spinners, weavers and carpet trainees.

KTS established a home for 21 disadvantaged children whose families were unable to provide care for them. A child nursery helps women to attend training.

“Since 1994 KTS has been running without any major funding. At present more than 80% of expenses are covered by sales revenue of KTS products”.

Kumbeshwar Technical School Annual Report 2002

Box M-07: Case study - Kumbeshwar Technical School (KTS), Nepal

Contract funding

This occurs when governments contract out labour market training. National training agencies compete with private providers in bidding for contracts. This may occur when government perceives a need or to address imbalances in disadvantaged groups eg retrenched mature aged workers. “In some countries labour market training agencies have been fully incorporated and are required to operate with no guaranteed funding at all”.31

31 Gasskov: op cit n16 p. 221
Training providers are usually paid according to the number of trainees completing the training and graduates gaining employment.

**Funding through national programs and management intermediaries**

In some countries, labour market training is funded through national programs. Contracting the work to either public or private training providers or tendering on the open market.

The latter where there is a well developed training market. In the USA Federal funds are distributed to State governments and local providers. In Australia, long term unemployed are eligible for a training allowance, to be spent on the provider of their choice, after completing a six month, part time work experience programme. Private job placement agencies with government contracts are given funds through a national job seeker account to spend on training for their long term unemployed.

This is administered through the Federal governments’ Job Network Programme. Governments can also create intermediate management bodies, para government institutions which are created and staffed with professional administrators. These institutions are directly accountable to the government.

### 6. New Developments and Financing Implications

**International trends**

The following are trends internationally in the VET sector:

- The financing of public and private training providers through a variety of schemes to strengthen training markets.
- Privatisation of training markets with private providers competing with public providers and competition between public providers. The aim being to increase competition and cost effectiveness.
- Trainees receiving funding either through: training credits, vouchers and allowances, also attaching incentives to disadvantaged people to encourage employers to give them employment.
- Recognition that training is an investment and that long term programs require expensive technology and secure financing.
- The development of national accreditation systems and skills standards for public and private training institutions.
- An increasing commitment to develop quality training systems that are linked to national standards and qualifications. Together with an interest by financing organizations and training providers in the delivery of quality training.
- An expansion of cost-recovery based financing of public institutions, co-financing by trainees, government and employers.
- Public training funds spent under the guidance of employers.
- Decentralisation of financing and administration of VET to regional and municipal levels. Assuming that local authorities have a better understanding of their areas’ needs for VET services.
- Locally raised funds with the greatest input by districts with control of programming. Funds are raised locally through property and income tax.
- Performance based funding on the number of students who pass or gain employment. Training institutions that maintain a high proportion of graduates are rewarded with extra funds.
- Public training providers are given budget flexibility and autonomy on how the lump budget is to be spent, with clear goals and targets to achieve.
- The introduction and increasing emphasis on generic skills training combined with technical skills and academic learning to facilitate lifelong learning.
- Vocational Counselling based on labour market analysis (see Supplement 5: *Labour market analysis* and Toolkit Item 5: *Labour Market Analysis - Sample Business Survey*)
- Follow up of employment outcomes of graduates through tracer studies (see Manual Section IV, 6).
- The emergence of non traditional trainee and apprenticeship training schemes.

**What do group training companies do?**
Group training companies employ trainees and apprentices and then place them with ‘host employers’, usually small to medium enterprises.

**Who do group training companies employ?**
Over 40,000 apprentices and trainees are employed by 150 group training companies making the network the largest employer of apprentices and trainees in Australia. Trainees are paid under a national training wage. Traditionally apprentice employment (up to 4 years) has been the core business, but now also includes trainees (up to 2 years).
Example: Group training companies in Australia
The following example of group training companies in Australia shows the range of possible achievement. See Box M-08 for an overview on the case study.

Box M-08 Case Study: On-Q Human Resources Group Training

On-Q is a not-for-profit community based organization founded in Northern New South Wales, Australia in 1988. It is the longest established employment service for people who have a disability in the area.

Group Training provides employment services to employers and over 500 trainees and apprentices covering an area of 600 kms of coastline.

Under this system indentured trainees and apprentices are placed with a host employer. This host entity may change during the term of the employee’s contract. The concept of Group Training evolved from a need to co-ordinate this system of sharing or rotating of trainees and apprentices amongst the various host employers.

On-Q remains the legal employer of the trainee or apprentice and is responsible for establishing and administering the terms of the Training Contract.

On-Q is also a Quality Assured organization against international and national disability and Group Training Standards.

On-Q consultants make four visits per annum to monitor the training and performance are progressing towards set benchmarks. These relate to the training, work safety, supervision, pay and working conditions.

Trainees and apprentices include traditional building trades, retail, hospitality and administration.

On-Q received the Trainee of the Year Award in 2003 and 2004 from the NSW Department of Education.

Box M-08: Case Study - On-Q Human Resources Group Training

How do group training companies operate?
Each group training company is an independent, incorporated, not for profit organization, run on commercial business lines.

Most group training companies receive financial support from the government to assist with administrative overheads.

The expenses to the host employer are minimal and includes a small cost recovery charge for the group training company.

What core services are provided?
The core activity of group training companies is managing the employment and training of apprentices and trainees.

Arranging and monitoring the on-and-off-the-job training
Arranging alternate work placements when required
Acting as mentors for host employers, trainees, and apprentices.

What additional services are provided?
Many group training companies are accredited training providers. Some employ specialist staff from ethnic groups or to work with people with a disability.
Applicability of new schemes in developing countries

- VET institutions internationally are facing many challenges:
  - Declining budgets (relative to demand and difficulty financing their operations)
  - The majority of VET systems remain centralised and supply driven, which often results in an oversupply of graduates
  - The emphasis is on maximum enrolments with little emphasis on quality systems in administration or training. Quality has been improved in pilot programs where rewards are given for achieving outcomes. Some institutions and organizations are pursuing International Organization for Standardisation (ISO) Registration.
  - Developing countries often have weak training markets, particularly in rural areas. In this situation centralised systems are often the best option until training markets are developed. With low market demand and in an area of low income, privatisation of VET is unlikely to succeed. Governments can stimulate training markets through a number of schemes outlined in 5. above.
  - Public VET institutions can be given some autonomy and independence to raise revenue, this has proven successful in a number of countries, enabling institutions to subsidise their operations and provide additional services
  - Co-financing is seen as potential means of targeting training at particular groups of people and industry sectors. (Check Manual Section B, Financing, Box M-02 Skill Nepal)
  - The lack of labour market and employment information is a problem for VET planners and institutions. Consulting employers, employer associations and Chambers of Commerce and conducting labour market surveys has proven effective in determining labour market demand
  - Student fees remain a problematic and contentious issue. While a good method of co-financing training many institutions state that “their students cannot afford the fees”.
  - This also raises the issue of equity, providing training opportunities for all people. Students who pay fees are more likely to be selective about their education choices and commitment to the training.
  - Channelling money through students rather than in public VET institutions has proven effective in creating training markets and providing greater choice for trainees.

“Public money channelled through individuals is likely to provide higher rates of return than the same money spent on free public VET”.\(^{32}\) This can be achieved through training allowances, vouchers and loans. These schemes are also effective in strengthening training markets. VET institutions that provide quality training, corresponding with industry market demand and achieving good employment outcomes for their trainees are more likely to attract public, employer/enterprise and other donor financing.

\(^{32}\) Gasskov: op cit n18 p. 27
Supplement Items
There are two supplements completing this section of the Manual. Check them if you're interested in a more in-depth knowledge on the topics handled:
- Supplement 4: Synopsis of funding schemes and funding sources for VET
- Supplement 5: Labour market analysis

Toolkit Items
The Toolkit comprises five items for this section:
- Toolkit Item 1: Steps in the Tendering Process
- Toolkit Item 2: Tender Writing Tips
- Toolkit Item 3: What the Purchaser Looks for
- Toolkit Item 4: Implementation of a Voucher Programme
- Toolkit Item 5: Labour Market Analysis - Sample Business Survey

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SWISSCONTACT: Rivera, C; Ordonia, K; Corella, M: “Programme for the Services of Business Studies Programme of Training by Coupons”, CFN & BID, ATN/ME – 5612 – EC
III. Costing and Pricing Basics
III. Costing and Pricing Basics

This compilation of costing and pricing basics has been developed to assist VET institutions adopt sound financial management standards and practices enabling them to operate in an effective and financially responsible manner and ensuring that these organizations meet their statutory obligations. Sound financial management practices through planning, controlling and evaluating the organization’s financial performance should ensure the viability and growth of the organization. Ideally each VET institution should use commercially available accounting packages that will enable the financial transactions of the organization to be recorded in a suitable manner and which will facilitate the production of the relevant financial reports such as the balance sheet, profit & loss report and cash flow, these reports being essential to the monitoring of the financial performance of the organization.

Institutional strategies will need to be developed to achieve institutional aims and objectives. At the operational Level they specify resource allocation for the institution. Strategies can be short and long term; for example short term labour market training could be planned for a particular target group to improve employment prospects for unemployed women. Long term training could be industry trade training to acquire nationally accredited and recognised skills qualifications.

Such strategies will include:

- Allocation of institutional resources eg. administration, training, infrastructure development, human resources, curricula design etc.
- Assessment of market demand
- Determining cost plus feasibility (do we have the resources and ability to conduct the course)
- Costing to break even or make a profit
- Fee structures: if fees are to be charged fee exemptions: criteria and sources of subsidies for exempt trainees
- Costing before and after training
- Costing for results, effectiveness and efficiency
- Costing for performance.
- Developing networks and partnerships with: enterprises, government, community groups, other training institutions, INGO’s
- Quality management: processes and systems.

1. Accounting

Accounting is the recording of all transactions of a business, making informed decisions based upon this information and the subsequent production of reports for the managers of the institution on the various functions of the business.

Bookkeeping is the recording of the transactions.

Within the accounting system there are two main streams:

- Financial accounting
- Management accounting
Financial accounting is the recording and reporting of the training institution transactions for external users of that institution, with external users being the creditors of the company, shareholders, prospective financial investors in the institution and general members of the community. External users are people that have an interest in the institution, however may not be directly employed by the institution.

Management accounting is the recording and reporting of the training institution’s transactions for the efficient internal management of the institution, with cost accounting being a major part of the management accounting function. Management accounting is for the use of internal users, those directly employed or those directly responsible for the welfare of the training institution.

2. Cost Recording and Reporting

Cost accounting
Cost accounting identifies the costs associated with a product, monitors and analyses these costs to ensure the delivery of an efficient and cost-effective product. The functions associated with the cost accounting role therefore are the recording of the data, the analysis and most importantly the reporting of these findings. It is the reporting and subsequent decision making based on this reporting that is crucial in the development of any cost accounting role.

The recording of the data is the allocation of the revenue and costs across the various accounts within the accounting system. The recording of the data is a bookkeeping function, which is crucial to the process. Without the correct allocation of the costs the subsequent analysis of the costs will be incorrect resulting in poor decision making.

The cost analysis is the core of the cost accountant’s role. The analysis focuses on controlling the costs and making informed decisions on them. The cost accountant needs to work with the management of the training institution to provide correct data in order that sound strategic decisions can be made.

The reporting of the analysis is equally important to the recording and analysis of the cost base. The reporting needs to be in a format and fashion that the users of the reports can easily understand.

The end users of the cost accountant’s reports may not be accountants and all effort has to be made to avoid jargon and technical terms that will diminish the understanding of the reports in the target audience. The report should be in plain language and specifically written for its target audience.

The purpose of costing
Correct costing will provide an understanding of all the elements that make up the cost base of a training institution. The true purpose of cost reporting is to provide users with information about the training institution, which is useful for making and evaluating decisions about the allocation of scarce resources. Once this understanding is achieved the strategic decision making will be enhanced, as all elements in the cost equation will be taken into account.
The following are examples of strategic decisions of training institutions that would be supported by costing:
- Decisions on the internal allocation of funds
- Pricing of individual courses
- Determination of fees for students
- Assessment of the economic viability of courses
- Decisions on the overall course programme
- Decisions on resource allocation
- Justification of bids for external funding and projects

Frequently a number of these decisions are made at semi government or ministerial level. This lack of independence may inhibit the training institution’s ability to make these strategic decisions. It has to be stressed that cost reporting is not an end in itself but rather a means of communicating relevant and reliable information about the training institution to end users. Efficient allocation of scare resources will be enhanced if those that make the decisions have relevant and reliable information via the costing exercise.

It is acknowledged that training institutions are an integral part of the community. The training institution provides services, may levy prices (fees) on the community and may invest resources in the local community. As a result efficient resource allocation should not focus solely on the internal allocation of resources within the training institution, but also on the wider context of the resource allocation within the community, and what resources of the community should be allocated to the training institution.

The community interests are best served by the training institutions where the scarce resources of the community are used efficiently and effectively by the training institution. Costing plays a crucial role both internally and externally in the allocation of these scarce resources.

In this section we will focus on the internal costing of the training institution. For costing information to be useful it needs to be relevant, reliable, understandable and the information provided needs to be material:

Relevance
For costing information to be relevant it needs to assist users in making and evaluating decisions on the allocation of scarce resources. This can be in the form of confirming or evaluating past decisions, assisting in the current decision making process or projecting into the future.

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33 Jägger 2003: p.5
Reliable
With any decision making process the information needs to be reliable, free from both error and bias. There is risk associated with forecasting and cost predictions, however every effort should be made to minimise those risks as best as possible. It is unrealistic to assume that these risks can be eliminated when forecasting future events, however, any form of bias or error needs to be eliminated.

Understandable
The costing information needs to be understood by those making the decisions. If the information is not easily understood there is a strong chance that the decisions made on this data could be incorrect due to misunderstanding.

Material
To determine the materiality of information, you must ask the question, “if the information was excluded from the costing models would it impact on the reliability and relevance of the information upon which the decision making is being made?” If it does impact on the decision making process it is material, if not it is immaterial.

The objective of costing
It is essential from the outset to have a goal or an objective in costing. The cost objective is the information needs of the end user. Costing sets the basis for operative and strategic decisions. Possible cost objectives:

- Costs of a course or module
- Costs of a programme
- Costs of a project, service or product
- Costs of institutional activities
- Costs of an organizational unit
- Calculation of indirect cost rates.

Strategic decisions, supported by costing may include:

- Decisions on the internal allocation of funds
- Pricing of individual courses
- Determination of fees for students and enrolment costs
- Assessment of economic viability of courses
- Decisions on the overall course programme
- Decisions on resource allocation including: human, overheads, quality control and systems, consultancies, curriculum development
- Justification of bids for external funding.

34 Jägger: op cit n1, p. 5
This is by no means a complete list however it does highlight the fact that the cost objective needs to be defined prior to the commencement of the costing exercise.

Take for example the cost objectives of say, costs of a course versus the costs of institutional activities. In this instance the information needs of the institution are far broader and more extensive than the needs of those developing a costing model for a course within the institution. Not only will the scale of the exercise be different; the assumption underpinning the models will differ. This is simply as a result of the fact that the information needs of the end users will differ, that is the cost objectives will vary. For templates of costing models check the Toolkit Item 6: Template Costing Models.

Prior to a cost objective being defined it is essential that the costs can be easily identified. The system that accounting uses to classify information is the chart of accounts.

**Chart of accounts**

The chart of accounts or general ledger is the base upon which the financial recording and reporting system is constructed. It is a listing of names or Accounts under which financial transactions can be recorded.

There are a lot of electronic tools to help in accounting – a costly acquisition in most cases. But you can also use generally spread calculating tools like the famous Excel by Microsoft’s office package. For a brief first introduction to use it, check Toolkit Item 7: Excel Survival Kit.

Accounts fall into five main categories:

- assets,
- liabilities,
- equity,
- revenue and
- expenditure

In simple terms assets are what an organization owns, liabilities are what an organization owes, equity is the difference in value between assets and liabilities and represents the ownership or investment that “the owners” have in the organization. Revenue is money received for the services that the organization provides and expenditure is the money spent providing those services.

**Assets**

Assets are generally categorised as current and non current. Current are those assets that represent cash such as bank accounts or those that are expected to be converted to cash within twelve months such as money that customers owe the organization for the services provided e.g. debtors. Non current (sometimes referred to as fixed assets) are assets which have a use or benefit to an organization extending over a number of accounting periods and include things such as buildings, furniture and equipment owned by the organization.
As per the Australian statement of accounting concepts there are three essential elements for an item to be classified as an asset.

- There must be future economic benefits.
- The entity must have control over the future economic benefit.
- A past transaction must have occurred resulting in control of that asset.

**Liabilities**

Liabilities are also generally categorised as current and non current. Current are those that represent the immediate or short-term debts of the organization such as moneys that have not yet been paid but must be paid for expenditure incurred in providing services e.g. creditors. Non current (also referred to as long-term liabilities) are debts which do not have to be discharged within the ensuing accounting year but instead are payable over a number of accounting periods such as the repayments on a loan acquired over a number of years for the purchase of buildings.

**Equity**

Normally when a business entity commences operation there will be some input of funds from “the owners” whether that be individual people or a sponsoring organization. The transaction to record the initial input of funds would be Debit Bank account and credit equity. This initial injection of funds is called equity and is similar to liabilities in that it represents a debt that the business owes, it is owed to “the owners”. After the initial injection of funds the main movements in equity will be the transfer of the profit or loss to the equity account at the end of each financial year. If at any time “the owners” put additional funds in or draw funds out of the business these movements would occur in the equity account.

**Revenue**

Revenue or income for VET institutions will mainly come from the fees charged for training courses run by the organization. Every endeavour should be made to separately record the revenue derived from each course conducted to facilitate the analysis of the financial performance of each course. Separation can be achieved by setting up new account numbers for each course. The revenue received will be reported on a regular basis through the profit & loss report.

**Expense**

All spending of money that does not involve the acquisition of assets will be costed to expenditure accounts and will be reported on a regular basis through the Profit & Loss report. Similarly to the revenue any direct attributable expenditure in respect of conducting each separate course should be costed against each course so that the financial performance of each course can be assessed. Separation can be achieved by setting up new account numbers for each course.
A sample of a chart of accounts

The chart of accounts is a descriptive classification of the accounting activities of an institution. It is a matter of judgement as to what level of detail you require in the chart of accounts. A suggested format is as follows in Table M-01. For a full listing check the Toolkit Item 8: VET Templates Chart of Accounts.

<table>
<thead>
<tr>
<th>Category</th>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
<td>1</td>
<td>Current Assets 1-1000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Bank Account 1-1100</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Petty Cash 1-1200</td>
</tr>
<tr>
<td>Liabilities</td>
<td>2</td>
<td>Current Liabilities 2-1000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Accounts Payable 2-1100</td>
</tr>
<tr>
<td>Equity</td>
<td>3</td>
<td>Equity 3-1000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Shareholders Funds 3-1100</td>
</tr>
<tr>
<td>Revenue</td>
<td>4</td>
<td>Income 4-0000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sale of Courses 4-1000</td>
</tr>
<tr>
<td>Expense</td>
<td>5</td>
<td>Expense 5-0000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Salaries 5-1000</td>
</tr>
</tbody>
</table>

Table M-01: Sample chart of account headings

Most small business off-the-shelf accounting software packages now come with an in-built chart of accounts.

3. Total Costing and Marginal Costing

Two popular costing methods are:
- Total costing
- Marginal costing

Total costing

Total Costing as the name implies takes all the costs associated with an activity into consideration. Total cost is the sum of the direct costs and the indirect costs. Direct costs are those costs that can be directly attributable to an activity or product. Indirect costs are the costs that, by their nature, cannot be directly attributable to an activity.

It is suggested that those institutions that work on a cash based or payment based system will have difficulty implementing total costing in that not all the costs associated with the running of the training institution system will be captured in the organization’s chart of accounts. The result being that costing has to be done external to the accounting system.

The advantage of full costing is that all costs associated with the cost objective are recognised and as such a solid platform is in place for any strategic decisions.
that need to be made. It is only where the full cost base of the institution is being recognised can the financial viability of the costing exercises be truly verified. The disadvantage is that in the majority of public (government/semi government) training providers, with payment based accounting systems, costing has to be performed externally to the accounting system. This lowers the overall controls within the costing process and can diminish the quality of the data upon which the strategic decisions are being made.

Marginal costing
Marginal costing is a short-term concept and refers to the additional variable costs caused by an extra or new activity. For example, the decision to commence a new course will definitely require additional teaching resources and facilities to be provided whereas extra students in a class may not require additional resources depending on the number involved. Subject to class size it may be possible to absorb an extra one, two or three students without requiring additional teaching resources, however, beyond that it may be necessary to engage another teacher, provide additional accommodation and commence another class.

Marginal costing is a short-term concept for calculating costs outside the regular programs. The major advantage of marginal costing is that it is more suitable to short term decision-making. The disadvantage is that costing is a very complex process and the bookkeeping may result in the exclusion of some variable costs as an easy option. The calculation of some of the variable costs may be quite complex and as a matter of expediency these costs may be excluded from the exercise resulting in incorrect data being prepared, increasing the likelihood that incorrect short-term strategic decisions will follow.

As has been highlighted marginal costing is a tool to aid and assistance short-term decision making. It is frequently employed to assist long term planning and this is its major shortfall. The point of marginal costing is to cover the variable costs of the activity; as a result the fixed costs may be overlooked in any long-term projections. Strategic long-term decisions based upon this incomplete data will be bound to fail.

4. Indirect Costing

Introduction
Indirect costs are those costs that although not directly traceable to a product, a department or a process, are allocated to them on some equitable basis. They are incurred either jointly for the benefit of more than one process or product or the cost is too small to be traced readily to a product or process.

What is the purpose of indirect costing?
Indirect costing is an integral part of an overall costing model. The costing model is a key component in the development of a management information system that is concerned with the provision of financial and non financial information to the managers for the effective management of the training institution through planning, organising and control of the various activities.
The management information system is geared to all levels of the training institution, with each level accessing relevant key data from the model. For a costing model to be effective it is necessary to identify all costs associated with the product, not only those costs that can be directly traced, but also those costs that form a part of the overheads that can not be directly attributable to a product.

Examples of indirect costs:
- The costing out of senior management time down to a subject level
- The allocation of administration charges, payroll and human resource functions to particular products
- Hand tools that are used in a number of courses and the subsequent allocation of the depreciation charges to these courses
- Utility charges such as electricity and gas are costs that may be incurred at an institutional level and need to be allocated to lower levels in the organizational structure.

In all of these cases the costs cannot be directly traced to a product or are too small to be directly traced to a product or process. A word of warning in that it may be possible to collect data at the lowest level required to carry out a comprehensive cost analysis, however it may be economically unsound to go down this route. As such a cost benefit analysis needs to be performed when formulating the cost objectives. The data collection needs to be both efficient and effective. It can become a counter productive exercise to refine the data collection to such a degree that the energies of the institute are focused on the collection of the data rather than the analysis of the data collected.

Once all costs have been identified the key feature is to allocate the indirect costs in an equitable manner so that the allocation process reflects the correct usage pattern of the resources of the entity.

**What are the objectives of indirect costing?**

The objectives of the costing exercise need to be defined prior to the identification and subsequent allocation of the indirect cost. For this to be successful you need to know not only the cost objectives but also the target audience. Four key target members:
- “Financier
- Buyer
- Provider
- User.”

Each audience has a different perspective on the costing exercise and the model needs to take these variances into account. The financier for example makes available the financial resources, the buyer orders and buys specific training courses, the provider offers training and the user participates in training. Consequently any costing exercise needs to be directed to the target audience to allow

35 Jägger: op cit n2 p. 2
for informed decision making. Once the target audience has been defined, it is necessary to define the objective of the costing exercise.

For the purposes of this section we will use the costing of a subject within a course as the example to explain indirect costs.

- Subject is one subject in an overall programme of a course comprising six subjects
- Training coordinator employed solely to run subject
- Classroom is rented and shared between ten other courses
- Normal administration costs of running a course.

To exclude indirect costs will result in the under statement of the overall cost base of the course and may have drastic implications regards pricing, funding decisions and the allocation of (generally) scarce resources.

In this instance the salaries or wages of the training co-ordinator are directly traceable back to the subject as the person is employed solely to run this subject. The classroom costs are substantial enough to be able to be traced back to the subject. However other overhead costs incurred by the institution in the running of the overall courses may not be so easily traced back to the subject.

Overhead costs such as postage and courier, cleaning and maintenance and stationery, which tend to be a high volume and low value expense, need to be allocated back to the cost of the subject. These indirect costs have been incurred by the institution as a result of running the courses, and are an integral part of both the running of the institution and subsequently the courses and the individual subjects that make up the courses. To ascertain the true cost of running the subject these costs need to be allocated equitably. The formula which develops from the above is:

\[
\text{Total cost} = \text{Direct cost} + \text{Indirect cost}
\]

**Cost centres and profit centres**

The process of identifying and subsequent allocation of the indirect costs is a science in itself and from the outset it needs to be stressed that this paper is looking at an overview of the various methodologies. The methodology suggested below is only one of many that may be utilised.

One way of compartmentalising costs is to group all costs associated with a programme or course and accumulate those costs under the one cost centre heading. With the above example the programme under which the course is run may be the cost centre or, depending on the sophistication of the systems in place to track the costs, the course itself may be the cost centre. The natural flow is that the subject may be the cost centre, the course is department and the various courses make up the programme and this may be the division. The various divisions make up the overall cost base of the institution.

In a fee-based institution the costs associated with the subject may be referred to as a profit centre and the administration/management arm of the institution would be referred to as the cost centre. The fee based courses would be generat-
ing the profits of the organization whilst the overheads associated with the over-
all running of the institution would be captured under a cost centre heading.
The expenses associated with the profit centres are direct costs in that they can
easily be attributed back to the subject.
The expenses associated with the cost centre are a mix of direct and indirect
costs in that the indirect costs have been incurred either for the overall running
of the institution or are of such a nature that they cannot be easily traced back to
a profit centre.

**Allocation of indirect expenses**

There are a number of mechanisms that can be used in the allocation of the indi-
rect expenses to a division, department or cost centre. The most obvious basis is
that of usage. Printing and stationery charges may be allocated by usage. Tele-
communication charges are another example whereby the cost may be allocated
on a usage basis.

Another basis may be an activity charge whereby the expense is allocated by ac-
tivity. An example here may be where the cost of the payroll department is allo-
cated on the hours incurred by the teaching staff.

Capacity charges are yet another means of allocating indirect costs, occupancy
costs is an example where the fixed costs need to be allocated across various
courses. A suggested calculation would be that the administration and manage-
ment departments occupancy costs are charged back to the course based on the
relative share of the overall cost of the occupancy charge for the training institu-
tion.

The Case study in Box M-09 shows an example of the allocation of the indirect
costs inflicted by the administration department of the institution.
Box M-09: Case Study - Indirect costs

Administration Department.
The administration costs of the training institution are a fixed cost. The administration department is geared to meet the demands of the training institute.

<table>
<thead>
<tr>
<th>Course</th>
<th>Teaching hours per month</th>
<th>Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>x</td>
<td>50</td>
<td>$1,111.00</td>
</tr>
<tr>
<td>y</td>
<td>75</td>
<td>$1,667.00</td>
</tr>
<tr>
<td>z</td>
<td>100</td>
<td>$2,222.00</td>
</tr>
<tr>
<td>Total</td>
<td>225</td>
<td>$5,000.00</td>
</tr>
</tbody>
</table>

Cost of the administration Department per month $5,000.00

Under the fixed charge course x would be charged 50/225 of the $5,000.00 budget or $1,111.00. The figures would not change over the period of the budget. The advantage here is that the amount charged to each course for non controllable fixed costs can be budgeted in advance.

Box M-09: Case study – Indirect costs of an administration department

The figures would not change over the period of the budget. The advantage here is that the amount charged to each course for non controllable fixed costs can be budgeted in advance.

Anecdotal evidence points to the fact that very few organizations have a satisfactory model for the calculation of indirect costs. Expediency generally results in a percentage method being used as the means of allocation. Even in the most sophisticated companies there is an imprecise science applied in the allocation of the indirect costs. The major restriction associated with unit costing is the amount of resources required to develop a satisfactory model. Hence the usage of a percentage to allocate the indirect charges.

The example in Box M-10 shows the direct and indirect costs of a VET workshop.

Recommendation

In allocating indirect costs the essential point is that a usage pattern or capacity index should be used that best correlates to the usage pattern of the product. An inappropriate allocation calculation can lead to incorrect allocation, which in turn may severely impact the cost analysis. A degree of precision and exactness may be assumed that does not exist, resulting in poor and at worst incorrect decision making.
Box M-10: Indirect costs of a VET workshop

The rule should be that the allocation process is based upon a system that is easily recognisable or no allocation of the indirect charges should be made. The allocation has to be equitable and represent the usage pattern of the resources.

With the changing nature of the institution’s cost base, whatever allocation mechanism is developed it needs to be reviewed regularly. Once an index or usage pattern has been developed for the allocation of indirect costs it is essential that over time this index is constantly reviewed (at least annually) and modified where appropriate. An inappropriate model also results where an index or allocation method is developed and not modified to allow for the changing conditions of the institution.

Factors, which may influence which method to use, will be:
- Complexity of the cost base
- Sophistication of the accounting system
- Resources that can be allocated to the costing task.

It can only be stressed again that the best allocation method is the one that reflects the allocation of the indirect costs in the most equitable manner. This will provide a solid basis in any costing exercise and will allow for sound decision making in the allocation of the resources of the institution.

*Indirect costs are sometimes referred to as overheads.
Budgets
The formulation of a budget should be an integral part of the financial management, planning and decision making process of the VET institution. The budget details what money is expected to be received from what sources and what money is to be spent on what items during the coming financial year. Prior to the commencement of each financial year a careful estimate should be prepared as to the expected revenues to be received and the expected expenditures to be outlayed for each of the Revenue and Expenditure accounts within the chart of accounts. If during the course of the year new courses are proposed to be held a budget should be prepared for each new course and added into the annual budget. Any new capital acquisitions and the method of funding these should also be included in the budget. For example if a new training room is to be added to the facility and the construction is to be funded by borrowing money then a budget should be provided in assets – buildings and a budget in liabilities – borrowings. The process of budget preparation and review will become more refined and useful as a management tool as it is used more often over the years.

Balance sheet
The balance sheet is a statement of the financial position of an organization at any point in time and shows the value of the assets, liabilities and equity of an organization at that point in time. It acts as a link between accounting periods. Ideally the balance sheet should be produced at the end of each month and at the end of the financial year.

Profit & loss report
The profit & loss report summarises the income received and the expenses incurred during a defined period, normally on a monthly basis. The profit & loss report shows whether the organization made a surplus or lost money during that period. Ideally the profit & loss report should be produced at the end of each month and at the end of the financial year for the full year. For a template of profit and loss check Toolkit Item 9: Template Cashbook.

Cash flow
The regular and accurate preparation of the cash flow is of paramount importance to the organization particularly if the organization is very restricted in the amount of cash available for day-to-day operations. An example of a cash flow is shown by Table M-02.

It must be understood that profit is not the same thing as cash as an organization can be profitable but still suffer significant cash difficulties. Organizations must be absolutely aware of what they are owed, what they owe and the likely timing of the receipt or payment of those moneys. Integral to ensuring that a satisfactory cash flow is maintained is the diligent and timely collection of moneys owed to the organization.
### Table M-02: Cash flow example template

<table>
<thead>
<tr>
<th></th>
<th>Week 1</th>
<th>Week 2</th>
<th>Week 3</th>
<th>Week 4</th>
<th>Week 5</th>
<th>Week 6</th>
<th>Week 7</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Inflows</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debtor Payments</td>
<td>$3,500</td>
<td>$4,800</td>
<td>$3,450</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Direct Income</td>
<td>$200</td>
<td>$750</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants Received</td>
<td></td>
<td></td>
<td>$5,500</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Inflows</strong></td>
<td>$3,700</td>
<td>$11,050</td>
<td>$3,450</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Outflows</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payroll</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$7,500</td>
</tr>
<tr>
<td>Creditor Payments</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$7,500</td>
</tr>
<tr>
<td>(Cheques Drawn)</td>
<td>$8,100</td>
<td>$3,300</td>
<td>$1,500</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes Remitted</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$2,500</td>
</tr>
<tr>
<td>Superannuation Remitted</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$1,250</td>
</tr>
<tr>
<td>Other Payments</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$500</td>
<td></td>
</tr>
<tr>
<td><strong>Total Outflows</strong></td>
<td>$8,100</td>
<td>$14,550</td>
<td>$2,000</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Net Movement</strong></td>
<td>-$4,400</td>
<td>-$3,500</td>
<td>$1,450</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Balance Brought Forward</strong></td>
<td>$10,000</td>
<td>$4,300</td>
<td>$2,500</td>
<td>$4,250</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Anticipated Position</strong></td>
<td>$5,600</td>
<td>$800</td>
<td>$3,950</td>
<td>$4,250</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Actual Bank Balance</strong></td>
<td>$4,300</td>
<td>$2,500</td>
<td>$4,250</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Subsidiary ledgers

Apart from the general ledger where all the costing transactions are recorded two additional or subsidiary ledgers must also be maintained. These subsidiary ledgers record what the organization owes to others (creditors ledger) and what is owed to the organization (debtors ledger).
Creditors ledger (accounts payable)

A creditor is an individual or organization to whom your organization owes money. The creditors ledger records the name and contact details of each creditor and what is owed by the organization to each creditor and should record not only the value for each creditor but also how long the money has been owed. Normally the amounts owing are reported as outstanding on a monthly basis i.e. Current for the current month, 1-30 days for last month, 30-60 days for the month before last etc. If the amount outstanding in the 60-90 days or >90 days columns increases it is a clear indication that your organization is experiencing cash flow problems and has not been able to meet its debts as they fall due. An example of a creditors ledger listing report is included in the templates. Transactions get into the creditors ledger when invoices or accounts are received from your suppliers for goods or services supplied to your organization. The invoices are debited against the appropriate expense accounts in the general ledger and credited to the creditors control account in the general ledger and also credited to the individual supplier’s account within the subsidiary ledger. When an account is paid the cheque is credited against the bank account in the general ledger and debited against the creditors control account in the general ledger and also debited to the individual supplier’s account within the subsidiary ledger. At the end of each month any amounts unpaid are rolled into the next older column outstanding, this “ages” the debt. e.g. unpaid amounts in current will roll into 1-30, 1-30 will roll to 30-60 and so on. An example is shown by table M-03.

<table>
<thead>
<tr>
<th>Supplier</th>
<th>Current</th>
<th>-30</th>
<th>31 -60</th>
<th>61 -90</th>
<th>&gt; 90</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABC Business (Supplier 1)</td>
<td>33</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>33</td>
</tr>
<tr>
<td>XYZ Business (Supplier 2)</td>
<td></td>
<td></td>
<td>75</td>
<td></td>
<td>75</td>
<td></td>
</tr>
<tr>
<td>(Supplier 3)</td>
<td>500</td>
<td></td>
<td></td>
<td></td>
<td>500</td>
<td></td>
</tr>
<tr>
<td>(Supplier 4)</td>
<td>499</td>
<td></td>
<td></td>
<td></td>
<td>499</td>
<td></td>
</tr>
<tr>
<td>(Supplier 5)</td>
<td>650</td>
<td></td>
<td></td>
<td></td>
<td>650</td>
<td></td>
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<tr>
<td>(Supplier 6)</td>
<td>199</td>
<td></td>
<td>500</td>
<td></td>
<td>199</td>
<td></td>
</tr>
<tr>
<td>(Supplier 7)</td>
<td>6</td>
<td></td>
<td></td>
<td></td>
<td>6</td>
<td></td>
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<td>378</td>
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</tr>
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<td></td>
<td>909</td>
<td></td>
</tr>
<tr>
<td>(Supplier 10)</td>
<td>295</td>
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<td></td>
<td></td>
<td>295</td>
<td></td>
</tr>
<tr>
<td>(Supplier 11)</td>
<td></td>
<td></td>
<td>1194</td>
<td></td>
<td>1194</td>
<td></td>
</tr>
<tr>
<td>(Supplier 12)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1194</td>
<td></td>
</tr>
<tr>
<td>(Supplier 13)</td>
<td></td>
<td></td>
<td>5079</td>
<td>1119</td>
<td>75</td>
<td>7967</td>
</tr>
</tbody>
</table>

Table M-03: Creditors template example
Debtors ledger (accounts payable)
The debtors ledger works in exactly the same way as the creditors ledger except it deals with money that is owed to your organization. If the amounts owing in the 60-90 or >90 days columns increase it means that you are not doing a good job in collecting money owed and that you will create cash flow difficulties and not be able to pay your creditors as they are due. Transactions get into the debtors ledger when you issue invoices (bills) to your customers. You will credit the appropriate income accounts in the general ledger and debit the debtors control account in the general ledger and also debit the individual customer’s account in the subsidiary ledger. When money is received from your customers the bank account is debited and the debtors control account is credited and also the individual customer accounts are credited in the subsidiary ledger. As with the creditors ledger any accounts unpaid at the end of the month are rolled into the next older column.

5. Depreciation

Introduction
Depreciation is applied to non current assets that have a limited useful life and a value excess of a specified amount. In Australia e.g. this is $1,000.00, however the threshold level will vary from region to region. This limited useful life is sometimes referred to as the asset’s effective life. The run down in the effective life or useful life of an asset is a cost to the company and depreciation is the recognition of this cost. The value of the asset, which is carried on the balance sheet, is decreased by the accumulated cost of that asset’s depreciation expense. The actual expense to the company, depreciation expense, is reflected in the Profit and Loss report in the year that cost was incurred.

There are two common methods of depreciation, prime cost or straight line depreciation where an equal amount of the original purchase price is written off each year and the diminishing value method whereby the amount to be written off each year is based on the depreciated value from the previous year.

The effective life of an asset
An effective life of an asset is generally expressed in terms of time.
There are a number of factors that influence effective life, including:

- The potential life of the asset given normal repairs and maintenance
- The potential technical life of the asset whereby the process remains efficient
- The commercial life of the asset.

The end result of these factors is that each asset is useful to an entity for a limited period of time. This limitation can be as a result of technical obsolescence. Computers are a case in point, they have an effective life of three to seven years, in most countries.

Furthermore the limited life of an asset can be as a result of wear and tear on that asset. Automobiles and trucks are prime examples where over time wear
and tear undermines their performance so that at some stage they become inefficient and need to be replaced. As such motor vehicles may have an effective life of five to ten years. Buildings also have an effective life. Normal wear and tear will result in the building over a period of say forty to fifty years needing to be replaced.

A further limitation may be as a result of commercial obsolescence. Market demand may no longer be there for a product and as a result those assets involved in the production of that item may become redundant.

The run down in the useful life of an asset is a cost to the company and that lost value of the asset is recorded as depreciation.

From the above two points emerge:

- For depreciation to be applied to an asset it needs to have an effective life of greater than twelve months.
- There needs to be some estimate of an effective or useful life of an asset when that asset was first acquired. eg tools may be depreciated over a number of courses.

The effective life of a similar asset can vary from region to region given the above factors. What is important, is to choose the time frame that is most applicable to an asset, a conservative rule is to choose the shortest time frame that incorporates all the above factors.

**The cost of items to be depreciated**

Depreciation is typically applied to those items that have a value greater than AUD$300.00. In some regions this value may in fact increase to $1,000.00. When an item is purchased for under say $1,000.00 it is generally expensed directly to the profit & loss with the full $1,000.00 being recognised immediately as an expense item.

A major problem for some regions may be the calculation of the historical cost base. A case in point here is the costs associated with a building where a large number of the items employed in the construction are recycled or second hand items. Here it is not easy to identify the historical cost base. It is suggested that either an outside expert is called in to assist or a best guess based upon perceived market value is used.

However, it is not uncommon to view the cost of the assets in terms of current cost or replacement cost. The result here is that the cost base may be revalued upwards and as a result the amount of the depreciation going forward from the date of revaluation will require recalculation.

It is advisable to regularly review the effective life of an asset. The effective life of an asset is not a fixed item and a number of outside factors that may change over time can influence it.

As mentioned previously technical obsolescence and market demand are just two of these factors. As such the effective life should be regularly reviewed.
Prime cost depreciation
The most popular method of calculating the depreciation expense is the prime cost method. It is sometimes referred to as the straight-line method. As the name straight line implies a fixed amount is apportioned to each year that has benefited from the use of that asset.

For example if a computer cost AUD$10,000.00 and it was decided that the useful life of that computer was five years, $2,000.00 would be applied to each year that the computer was providing benefit to the organization.

![Formula: Cost price ÷ by effective life = Prime cost](image)

The following example works through a number of the issues discussed. Table M-04 shows the prime cost depreciation model of a computer of 5 years effective life.

<table>
<thead>
<tr>
<th>Cost price</th>
<th>Depreciation</th>
<th>Accumulated depreciation</th>
<th>Written down value</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Year 1</td>
<td>10,000.00</td>
<td>2,000.00</td>
<td>2,000.00</td>
</tr>
<tr>
<td>Year 2</td>
<td>2,000.00</td>
<td>4,000.00</td>
<td>6,000.00</td>
</tr>
<tr>
<td>Year 3</td>
<td>2,000.00</td>
<td>6,000.00</td>
<td>4,000.00</td>
</tr>
<tr>
<td>Year 4</td>
<td>2,000.00</td>
<td>8,000.00</td>
<td>2,000.00</td>
</tr>
<tr>
<td>Year 5</td>
<td>2,000.00</td>
<td>10,000.00</td>
<td>Nil</td>
</tr>
</tbody>
</table>

Table M-04: Computer depreciation by prime cost model

This example highlights the fact that $2,000.00 of expense is being recognised in the profit and loss statement. This expense represents the run down in the value of the asset. The $2,000 would be classified as depreciation expense in the profit and loss statement for each relevant year. At the end of year 3, $6,000.00 of expense has been recognised. On the balance sheet for year three the asset is recorded at cost, $10,000.00 and the summation of the individual years expense calculation is recorded as accumulated depreciation. The accumulated depreciation of $6,000.00, $2,000.00 times 3 years, offsets the historical cost of the asset, $10,000.00, resulting in a net value of $4,000.00 being recorded on the balance sheet as the written down value of the asset. This represents the remaining future benefit that this asset is to provide the company.

The accounting entries on a year to year basis are:
- Debit depreciation (profit & loss)
- Credit accumulated depreciation (balance sheet)

The balance sheet representation for year three would be as shown in table M-05 using the same price of the new computer as before.
Non current assets computers—at cost $1,000.00
Accumulated depreciation ($600.00)
Written down value of computers $400.00

Table M-05: Balance sheet representation of computer depreciation for year 3

The written down value represents the future benefits that the asset will bring to the company over the remaining two years of its effective life. The depreciation expense of $6,000.00 represents the cost or loss in value of the asset in the first three years of use. Viewed differently the asset has provided $6,000.00 of benefits to the company.

Please note that depreciation and amortisation are used interchangeably in some publications. For ease of reference depreciation is used for physical assets whilst amortisation is applied to intangible assets such as goodwill.

There are numerous variations on the above scenario. In Australia, as a result of recent changes to taxation law, diminishing value method is a popular way to calculate depreciation. This is where the straight-line method is multiplied by 150%. It is recommended that the training institutions check on the relevant tax laws of their country as this will change from country to country.

Usage pattern depreciation

The basis for all the above has been an effective life based upon time. It is possible to calculate depreciation on a usage pattern. For example a manufacturing plant may be constructed in such a manner that its effective life is based upon the number of units it makes. A machine that manufactures metal screws, for example, may have a life expectancy of 10 million metal screws.

In this instance rather than using a time frame of years it might be more appropriate to depreciate the manufacturing plant by the number of metal screws produced each year. That is the basis is usage rather than time. Table M-06 shows an example.

In all the above calculations the overall guiding principle should be to reflect in the books of the entity a true and fair value of the future benefits to the entity of the non current assets that they hold. That is select the method that is the most appropriate for the circumstances.

An extensive example for usage pattern depreciation is to be found as Supplement 6: Costing the use of a machine.

The Toolkit contains an example of calculating training room rental by using the depreciation model its Item 10: Steps in Calculating Training Room Rental Using the Depreciation Model and also a suggestion for an easy Fixed Asset Register in its Item 11: Template Fixed Asset Register.
### Table M-06: Manufacturing plant depreciation

<table>
<thead>
<tr>
<th>Year</th>
<th>Cost Price</th>
<th>Usage Pattern</th>
<th>Depreciation Annual</th>
<th>Accumulated Depreciation</th>
<th>Written Down Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1,000,000.00</td>
<td>1,000,000.00</td>
<td>10,000.00</td>
<td>10,000.00</td>
<td>90,000.00</td>
</tr>
<tr>
<td>2</td>
<td>3,000,000.00</td>
<td>30,000.00</td>
<td>40,000.00</td>
<td>60,000.00</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>5,000,000.00</td>
<td>50,000.00</td>
<td>90,000.00</td>
<td>10,000.00</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>1,000,000.00</td>
<td>10,000.00</td>
<td>100,000.00</td>
<td>Nil</td>
<td></td>
</tr>
</tbody>
</table>

### Depreciation of hand tools

A number of training institutions teaching technical skills may depreciate their hand tools over the length of a number of courses. This is a slight variation to the usage pattern as discussed above. In this instance hand tools for example may be depreciated over the number of courses that the tools hold their effective life. This may result in the tools being depreciated in a time less than the normal definition of a non-current asset, that is less than twelve months. It is feasible that tools may have an effective life of three or four courses and it is possible that the courses may be run under twelve months. In this instance it is quite acceptable to depreciate over the usage pattern of the number of courses.

It is stressed that the most appropriate method of depreciation is that which most reflects the effective life of the asset.

### Physical hand count

A physical count every year is also important. In large training institutions assets are transferred between departments continually and it is possible that you lose contact with these assets. An item count annually overcomes this problem. The item count will confirm the fact that the asset physically exists. It is not uncommon for the assets of a training institution to be subject to damage, theft or misallocation. In any of the above the asset needs to be removed from the fixed asset register and the appropriate entries processed.

### Recommendation for good practise

From a very conservative good housekeeping accounting point of view it is suggested that the depreciation expense be recorded monthly. Once again dependent on resources, complexity of the accounting equation and the information needs of the users of the reports, depreciation may be recorded monthly, quarterly or at worst once a year.

From a costing point of view it needs to be stressed that depreciation is not simply an accounting entry but a true cost to the company, as such depreciation...
needs to be factored into all costing and management reporting systems. If the depreciation cost is excluded wrong signals may easily be sent to management and the strategic decision making process may well be compromised.

6. End of Month Processes

Bank reconciliation
At the end of each month a reconciliation should be done between the ledger and a bank statement provided by the organization’s bank. This is a process of comparing deposits made into the bank with revenue received and recorded in the ledger and comparing withdrawals made from the bank account, normally by drawing cheques, and the expenditure recorded in the ledger. This process will highlight any transactions that have not been recorded in the ledger, ensure that no incorrect transactions have been processed to the bank account by the bank and detail any transactions that have been recorded by the organization but that have not yet been applied to the bank account e.g. cheque drawn but not yet presented.

Employees leave entitlements (ELE) calculation
One of the actions that should be undertaken each month prior to the preparation of the Profit & Loss Report is the calculation of employees leave entitlements. Where employees of an organization have an entitlement to some form of paid leave such as annual leave or long service leave the value of that leave must be calculated at the end of each month and an adjustment made for the movement in the leave during the month. If the value of the leave has increased then the increase in value must be debited to the expense account Employees Leave and credited to the liability account employees leave entitlements and vice versa if a decrease in value.

Calculation of depreciation
Depreciation of assets should be calculated and posted to the general ledger each month so that the expense will appear in the monthly profit & loss report and Balance Sheet. See above for details of calculation of depreciation.

Allocation of indirect costs
Each month a calculation of the applicable indirect costs should be made and allocated to each of the appropriate courses or programs. The basis of allocation will depend on the nature of the costs.

Organizations must ensure that staff are employed and paid in accordance with local industrial regulations and requirements and that taxes, superannuation and other statutory or voluntary payroll deductions from employees are remitted to the appropriate authorities. Each month a calculation should be done to determine the change in the liability of the organization for employee leave entitlements. See above for details of allocation of on costs.
Balancing of subsidiary ledgers
Each month a reconciliation between the creditors and debtors ledgers should be made to their respective control accounts in the general ledger. The total value of each of the subsidiary ledgers must always equal the value of their control accounts.

Debt recovery and bad debts

Debt recovery
It is essential that all VET institutions have in place a regular procedure for the follow up and recovery of moneys owed to the organization. Each month after the debtors ledger has been rolled forward an examination should be made of the amounts owed by each customer/client. Statements can be issued to each customer drawing their attention to the amount that they owe. Any amounts that have been outstanding for more than two months and are therefore appearing in the 60-90 or >90 days columns should be viewed as matters for concern and requiring specific attention to ensure that they are paid by the customers without further delay. The actual recovery process will be a matter for each VET institution to determine depending on the local conditions but would typically involve direct contact with the customer by telephone followed up if necessary by written advice including if deemed appropriate a threat to take legal action for recovery. VET institutions should develop their own policy and procedure regarding the timing and steps involved in their debt recovery process.

Provision for & writing off of bad debts

Inevitably all VET institutions will at some time identify outstanding debts that are likely to be irrecoverable and therefore a provision should be made for their probably write off. There are also those debts that definitely cannot be recovered and therefore have to be written off.

Ideally bad debts should be written off in the financial year in which the invoice and therefore the income was originally raised although debts are not generally considered to be bad unless they are outstanding for more than six months. Normally an adjustment note (this is the reverse of an invoice) would be raised and it would be debited against an expense account bad debts written off and credited to trade debtors and the relevant individual customer account in the debtors subsidiary ledger.

Some bad debts carry over from one financial year to the next. At the end of each financial year a close examination should be made of all outstanding debtors to determine the likelihood of their recovery. If it is determined that some debts are highly unlikely to be paid then what is known as a provision is set up. This is done by debiting an expense account doubtful debts and crediting an asset account provision for doubtful debts. This account is normally located in the chart of accounts immediately below the trade debtors account and is really a negative asset account. The effect of this transaction is to match the doubtful debt with the income that it raised in the relevant financial year and the net result flows through to the profit & loss.

If it is subsequently determined that the debts for which the provision was set up should be written off then trade debtors will be credited and provision for doubtful debts will be debited. This will reduce the balance of the trade debtors and eliminate the provision.
The annual examination of debtors may result in a requirement to reduce the amount of the provision for doubtful debts. This could arise when debts that were considered to be doubtful are ultimately paid. In this circumstance the year end entry will be to debit the provision for doubtful debts asset account and credit the doubtful debts expense account. This will have the effect of reducing the expenditure for the year and will flow through to the profit & loss.

7. Policies
Each VET institution should develop policies so that their staff and their customers know and understand what actions will be taken when particular circumstances arise. Attached to the Manual is an example of some financial policies and procedures.

The policy regarding the distribution of profits will very much depend on the nature of the organization and how it was originally funded. Was it privately financed, were government funds involved and if so were there any conditions attached to the funding? This policy is one that has to be determined by each VET. Check Supplement 7: Policies in planning VET systems.

8. Accountability
The Chief Executive Officer (general manager) has overall responsibility for financial management and expenditure authorisation within the organization on a day-to-day basis and must report to the board of management on a regular basis.

Whilst the CEO is ultimately responsible for proper financial management, depending on the size of the organization, a trained financial manager may be appointed to carry out the ongoing financial accounting tasks. To streamline ongoing running of the organization the board of management may implement a system of delegated authorities whereby staff at different levels are authorised to make purchases on behalf of the organization up to different values.

Ultimately the board of management is responsible for the financial performance of the organization and achieves control by setting a budget at the commencement of the financial year and then measures the organization’s performance against that budget on a regular basis. To achieve this the board must ensure that it is provided with appropriate reports.

Regular reporting to board/management
Accurate and up to date financial records must be maintained to ensure that the decision making processes are based on sound information and enable regular evaluation to be made of the organization’s financial state. These accurate records must be compared and reviewed on a regular basis against the budgets prepared at the beginning of the year. Financial reports including balance sheet, profit & loss and cash flow should be provided to the board on a quarterly basis. Circumstances may dictate that this should be done more frequently such as on a monthly basis. Certainly these reports should be prepared for review by senior management on a monthly basis. The profit & loss should include a column containing the budget figures so that a comparison can be made against the actual results to track how the organization is performing. If this comparison shows ac-
counts for which there are wide discrepancies between the budget and actual results the board is in a position to seek explanations from the CEO and if necessary take corrective action.

Audit
The organization’s financial records should be audited annually by suitably qualified accounting professionals in accordance with local laws and regulations relating to VET institutions. If there are no such requirements it is still highly desirable that an audit is conducted so that all stakeholders can have confidence that all financial aspects of the organization’s financial management have been conducted in a correct and competent manner.

External reporting requirements
Each VET institution will have external financial reporting requirements, some imposed by regulations governing their operations while others will be imposed by funding organizations as conditions for providing grants, loans and other types of funding to support the organization’s operations.

Any documentation provided by funding providers should be checked closely to determine any reporting obligations so that accounting structures can be put in place before the commencement of the project to ensure that the reporting obligations can be met without the need for extensive work to be undertaken after the event to try to meet the obligations. Poor preparation and a lack of knowledge of the reporting obligations could place the funding in jeopardy.

9. Taxation Issues
VET institutions are obliged to understand what their taxation reporting and payment requirements are in accordance with the applicable laws operating within their own countries and respond accordingly.

10. Pricing Methods
Product pricing is the flip side to product costing. It needs to be stressed that product pricing is not simply a matter of estimating unit cost, building in a profit margin and calculating the price. Issues such as consumer demand and the competitive environment are frequently more significant.

In this section an outline of the various economic pricing models will be given, outlining the pitfalls of the various models for training institutions. Cost based and demand based pricing will be fully explained in the context of training institutions and the strengths and weaknesses of both models are analysed and a recommendation is made.
Pricing environments

Profit making training institutions in the market
If you are a profit making institution, other factors apart from costs and desired profit margin play also a significant role. The market within which you operate is significant as well and can have a strong bearing on any pricing decisions.

That is the pricing decision under a monopoly market (no directly competing product in the market) will vary from that of a polypoly market (many sellers of similar but not identical products). In between these two market models is an oligopoly (a market in which a few large sellers occupy a large share of the market).

In a monopoly market the training institution has no direct competition, as a result there is a degree of freedom to charge what the market could carry. Without competition, the opportunity to make abnormal profits through inflated pricing is very real. However, according to economic theory under normal market conditions it would only be a short time before new entrants entered the market and undermined the monopoly market, resulting in the competitive advantage that the training institution holds disappearing. The end result is that the abnormal profit margin would be eroded and the now competitive market would reduce prices to normal levels.

With a polypoly market no single seller has a large enough share of the market to permit competitors to identify the effects of the pricing decision on the sales of the training courses. In this instance pricing decisions will not initiate a retaliatory response from the competitors.

Under an oligopoly the pricing decision depends on the reaction of the competitors to the changes in the selling price. A training institution in an oligopoly market must be very price sensitive regarding its product pricing as an incorrect decision may well result in the customers of the training institution drifting off to the competition. In this instance the competitors may well match any price reductions, however, they may not follow any price increase, and the training institution may well price itself out of the market.

No matter what the market structure the training institution must consider the long-range implications of the prices on volume and on the growth of competition.

Non Profit Institutions
The pricing decision for an institution training not for profit is a little easier in that the long term viability of the organization does not depend on the generation of profits. There is no need to compensate the investors in the training institutions for the use of their funds. However there are still pricing decisions that need to be made as the organization attempts to break even. In this instance the same constraints under which profit making training institutions operate will apply to not for profit companies.

There are two mainly used basic pricing methods:

- Cost based pricing
- Demand based pricing.
a) Cost based pricing

Total cost pricing

Total cost based pricing is where the cost of an activity is used to determine its price. Total cost pricing is the sum of direct costs and indirect costs. Direct costs are those costs that can be directly attributed to the activity that is under consideration.

Indirect costs are those costs that by their nature cannot be directly attributed to an activity but are essential in the operation of that activity. Indirect costs are incurred for the benefit of more than one activity or they are individually too small to be traced readily to a costing activity.

Even with elaborate accounting systems the allocation of indirect costs is at best arbitrary. The end result is that any pricing based upon total cost pricing needs to be reviewed constantly, and monitored closely, as in all likelihood there has been an arbitrary allocation of costs.

Where a training institution is a profit making organization, a profit margin is built into the costing to generate this profit. In a non profit organization a training institution uses the costing excluding the profit margin as the basis for the pricing. In this instance the non profit organization will break even and its goal is not to make a profit or loss. As such its goal is to cover its total costs.

Examples where total cost pricing is used on a cost objective can be individual courses, complete training programs, quality improvement projects or institutional departments.

Marginal cost pricing

Marginal cost is the additional cost caused by an additional or new activity. Formally marginal cost is defined as the added cost that results from the production of one additional unit of output per unit of time.

It is generally considered that marginal costing is a short-term concept and is not considered appropriate for long term planning. Marginal costing can be utilised for calculating the cost of courses outside the regular institutional programme.

b) Demand based pricing

Demand based pricing is where the market determines the price that the training institution can charge for its activity. The premise here is that market information is freely available to all participants in the market. This is effectively an unreal assumption in the real world and as a result variations on the theoretical demand based pricing have evolved.

For example:
- Market pricing
- Sponsor-determined pricing
- Differential pricing
- Hidden demand-based pricing
- Strategic-pricing approaches.
Market pricing
This is the price that is obtainable in the open market. The training institution prices its activities at the prevailing market rate.

Referring to our earlier discussion this is the price obtained in a monopolistic market where there are many sellers of similar products but not identical products. No single seller has a large enough share of the market to permit the competitors to identify the effects of his pricing on their sales.

Sponsored determined pricing
The sponsor frequently determines the pricing for the training institution. The result being that the pricing decisions are taken out of the hands of the training institution. As a result the training institute needs to focus on the costs associated with the running of the training institution.

Differential pricing
Differential pricing is where buyers pay a different price for a course or service. Price discrimination consists of charging different prices to different customers, and the term is intended to have no ethical overtones. Quite sound basis of differential or discriminatory pricing may be made on social or political grounds. Additionally differential pricing may be used to absorb excess capacity.

Differential pricing is risky, as it is difficult to segment the market and to eliminate the drift of customers from one segment to another. The end result is that a customer may feel cheated or exploited if they are forced to pay a higher price. Differential pricing is risky and caution needs to be applied when it is implemented.

Hidden demand based pricing
Inadvertently training institutions sometimes have a hidden demand based pricing factored into their pricing models. This is a result of using cost based pricing method, however one segment of the cost based pricing may be demand driven. The most obvious example is staff costs, where frequently training institutions are required to pay market rates for staff. The staff costs containing the demand based costing are built into the costing models hiding the market driven costing for the staff.

Strategic pricing approaches
There are some techniques in strategic pricing, e.g.:

- Market skimming: Initial high price for the introduction of a new course. This may occur in a market monopoly, however it is generally a short period of time prior to new entrants entering the market, and as a result of these market forces the market price works its way into equilibrium.

- Market penetration: Initial low prices for the introduction of a new product. This has limited appeal, as customers may well lose enthusiasm for the new product as the price begins to increase.

- Pre-emptive or extinction pricing: Preventing potential competitors from entering a market, or extinction of competitors from the market. Both of these pricing approaches would take place in an oligopolistic market where a few large sellers dominate the market.

Once again this style of pricing has limited appeal for training institutions.
Recommendations for choosing a pricing method

In the economic jargon of a perfect economy where there is a free flow of information between all parties in the marketplace demand based pricing would be ideal. However, the real world does not allow this and as such for demand based pricing to be effective there needs to be a free and open economy. This is the major limitation of the demand based pricing.

Preferably pricing is done on the cost based pricing approach.

One reason for cost based pricing being preferred is that it appears to shield the training institution from financial risk. If price is greater than cost then the risk is avoided.

Additionally cost plus formula pricing is seen to be fair. This is a subtle factor, however it does give some relief to senior managers who feel that their pricing is equitable.

Full cost pricing allows VET institutions to benchmark their own products as well as those of their competitors. Full cost pricing formulas are also used to benchmark actual prices. By using the full cost approach irrespective of how imprecise it may be, over a period of time it is possible to analyse both your own and your competitors’ prices against a backdrop of the full cost pricing method.

All of the above indicate that full cost pricing has a number of advantages over demand based pricing.

It needs to be stressed that formula based pricing is only one segment of the pricing equation. Intangibles such as quality of the courses offered, delivery of these courses and so forth will all play a large role in determining the overall price of a product. Additionally the market within which you operate will significantly influence the pricing decision. Check Supplement 8: Factors affecting pricing for compilation of factors influencing pricing.
Supplement Items
There are three supplements completing this section of the Manual. Check them if you're interested in a more in-depth knowledge on the topics handled:
- Supplement 6: Costing the Use of a Machine
- Supplement 7: Policies in Planning VET Systems
- Supplement 8: Factors Affecting Pricing

Toolkit Items
The Toolkit comprises six items for this section:
Item 6: Template Costing Models
Item 7: Excel Survival Kit
Item 8: VET Templates Chart of Accounts
Item 9: Template Cashbook
Item 10: Steps in Calculating Training Room Rental Using the Depreciation Model
Item 11: Template Fixed Asset Register

Bibliography
IV. Costing and Pricing of VET Products and Services
IV. Costing and Pricing of VET Services and Products

The following section transfers the content of the former one into the domain of VET work. Tasks as advertising and promoting of VET services and products are handled as well as assessing, enrolling, and administering students.

As for the results, service and financial quality of VET work are looked upon comprising a closer look to the modern and growing domain of distance learning in VET.

1. Attraction and Enrolment of Students

Attracting and enrolling students into VET programs is an important part of a training organization’s business. It involves, first of all, providing students with clear and current information on all relevant aspects of the training organization’s service provision. It also covers student selection, collection of fees and maintenance of student records.

For a checklist containing important considerations about attracting, enrolling and administering students check Toolkit Item 12: Checklist attraction, enrolling, financing records of students for VET.

Advertising and promoting VET training services to potential clients

For attracting potential students clear, comprehensive and well-presented information about the courses and training services have to be provided by the training organization in advance.

Initial course information should:
- Clearly summarise the core content of training programs
- Identify vocational outcomes and qualifications that can be achieved
- Specify course costs including any discounts for special cases or needs
- Provide details of the course duration and structure
- Provide information about trainers, their background and experience
- Provide application and enrolment details including entry requirements
- Provide contact and enquiry details for the training organization
- Possibly provide recommendations or feedback from previous students.

This information can be presented in written form in brochures, flyers, newspaper advertisements or inserts, email advertising and newsletters, and on the training organization’s website, TV and radio interviews and announcements, trade shows, business breakfasts, face-to-face visits or telephone contact with local industry and businesses.

Promotion and advertising is likely to be an expensive item for the training organization and it is useful to do some preliminary market research to help identify the most economical and effective strategies for reaching the target market. An important part of this is establishing a network of advertising options that support the best distribution of information to students.
The following case study provides an example of how a small training provider promotes and advertises its VET programs (see Box M-11).

**Box M-11  The ACE Mullumbimby course advertising experience**

ACE Mullumbimby Inc is an adult and community education provider in Byron Shire located in Northern New South Wales, Australia. The shire has a resident population of approx 30,000 plus a high transient tourist population.

ACE Mullumbimby advertises both VET and recreational courses four times a year in a newspaper style, eight page brochure. The brochure advertises over 130 courses per term including approximately 30 VET courses leading to vocational outcomes and national qualifications.

Of the 27,000 copies of this brochure printed each term, 19,000 are included as an insertion in a local free newspaper The Echo, and the remaining 8,000 are distributed through a variety of retail, service and community centre outlets, cafes libraries, doctors and dentists within the Byron Shire.

Also five small display advertisements are placed in The Echo each term and occasional articles on the term’s programme or specific courses are printed by the newspaper. In addition a double page advertisement of the programme is taken in a rival local newspaper, The Byron Shire News.

Courses are also advertised on the ACE Mullumbimby Inc website and through the local community radio station.

Advertising costs:

- Printing costs for the brochure are approximately $5250 per term
- Distribution of brochure through The Echo costs $1000 per term
- Double page advertisement in another local newspaper $800
- Follow-up small display ads in The Echo (approximately 5 at $100 each)
- Promotion on community radio station – free in return for use of ACE premises

Selected VET courses are also advertised through other ACE centres brochures in the region. The regional ACE centres are currently working towards establishing a 'one-stop-shop' website advertising VET courses provided by all the ACE Centres in the northern rivers region.

VET courses are costed at approximately 10% more than non-VET courses. ACE Mullumbimby enrolls approximately 1200 VET students and 3,800 non-VET students each year.

**Box M-11: The ACE Mullumbimby course advertising experience**

**Enrolling students into VET training programs**

There are at least three areas of enrolling students in VET programs to be looked upon:

- Training organization based enrolments
- Industry/enterprise based enrolments
- Enrolling students in distance learning programs.
Timetabling

Most training organizations will have a timetable scheduling different stages in the enrolment process.

For example ACE Mullumbimby has a yearly calendar that schedules the following items:
- Course brochures out: Thursday January 15\textsuperscript{th} course brochures
- Distributed through Echo newspaper: Tuesday January 20\textsuperscript{nd} course brochures
- Advertised through community radio: Thursday January 22\textsuperscript{th}
- Enrolment of students begins: Monday January 19\textsuperscript{th}
- Courses start: Saturday February

Additional items that could be time scheduled include:
- Decide on courses for the term/year
- Establish fee structure for courses
- Timetable courses
- Develop system for recording course enrolments and student information (e.g. database, manual system)
- Begin production of new advertising materials (e.g. brochures)
- Printing of brochures/ flyers etc
- Training organization ‘Open days’
- Student interview dates
- Student orientation dates.

Enrolling students into VET courses

Although the training organization will designate a specific period for actually enrolling students into courses, it is usual for enquiries to be taken at any time and for enquirer details to be recorded for possible enrolment at a later date.

Enrolment procedures will vary from institution to institution. Their common elements are likely to include:
- Providing information to prospective students about courses and programs prior to enrolment. (Course brochures etc) This may involve advising students as to which course might best suit their needs. See Toolkit Item 13: *Code of Practice Example*.
- The completion of an application or enrolment form (See examples in Toolkit Item 14: *Examples of Enrolment Forms*)
- The collection of fees. This may include explaining how fees may be paid and over what period of time. Giving advice about concessions discounts, or training allowances and grants. See Toolkit Item 15: *Client Enrolment Procedure* for an example of student enrolment procedures
- Arranging student interviews and orientation meetings where appropriate
- Providing additional information to enrolled students prior to starting their course of study.
Industry enterprise based enrolments

Some VET training organizations are contracted by local businesses to organize staff training to meet the identified needs of the industry enterprise.

Traditionally industry enterprises are often reluctant to invest time and money in staff development and fail to recognize the benefits associated with staff training. Training organizations need to find ways to overcome the barriers to training often presented by industry enterprises. See Toolkit Item 16: Ideas for Engaging Enterprises.

Training organizations can either:

- Approach industry enterprises – cold canvassing by telephone or in person, interviews and meetings, through business networks, brochures, articles and advertisements in local publications or trade magazines
- Respond to requests from industry enterprises for assistance with their training needs.

Once an enterprise has indicated an interest in proceeding with training, the training institution needs to consult with them on the level of involvement they would like to have in the process of identifying and meeting training needs.

Some enterprises may have already carried out a training needs analysis and simply be seeking training programme options. Other enterprises may require the training organization to undertake a training needs analysis and report back with training recommendations to the enterprise. In either case, clear communication and willing cooperation is required to facilitate the process.

To identify and meet training needs within an enterprise, the following steps need to be taken:36

1. Collect information on the enterprise’s training and development needs
   Depending on budget and time factors, this can be done via focus groups, one-on-one meetings, or a questionnaire. Questionnaires provide quantitative information and can highlight issues needing attention. These can be explored in detail through other mechanisms such as focus groups. See Toolkit Item 17: Training Needs Analysis and Skills Audit for an audit questionnaire.

2. Analyse information collected
   Analyse the results of the questionnaire, focus group or one-on-one meetings to identify staff skill gaps. Compare skills already obtained with skills required to do the current job and those required for future development. You may find that an employee is better suited to a different role than that which they are currently employed to do.

3. Create a training profile
   Create a training profile by recording your analysis in an easily retrievable format such as a table. Depending on the size of the organization,

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36 Equal Opportunity for Women in the Workplace: (adapted) www.ewoa.gov.au
you may wish to record data on a sectional or divisional basis. Identify the types of courses or on-the-job experiences requested, the number and levels of people requiring training (for example, shop floor, managers), and the number of sessions needed. Distinctions made between full and part-time staff will allow session times to be scheduled in working hours.

4. Devise a training and development plan
   Develop a Training and Development plan. The plan should list all of the courses scheduled, the types of employees identified as ideal participants, the dates, venue and session times.

5. Publicise the training and development plan
   Publicise the training and development plan to all staff, preferably providing individuals with personalised notice. This ensures that all employees are advised of the available learning opportunities and provides equal access to developmental opportunities. Liaise with supervisors about the suitability of courses for specific employees.

6. Implement the training
   Enrol staff members in appropriate course and deliver the training. Maintain adequate records.

7. Evaluate the training
   Evaluate the effectiveness of the training to measure how well the training objectives were met.

These seven steps allow the training organization to increase their training markets through working directly with local industries and enterprises, and develop training programs to match the needs of specific groups. In some cases, when only a few staff members require training in a specific area, the most cost effective option may be to enrol those staff into scheduled programs run by the training organization.

**Distance Learning programme enrolments**

Enrolling and registering students into Distance Learning (DL) programs need not be very different from enrolling students in face-to-face programs. Some training organizations use special application forms for distance learning students while others use their general application forms for all students.

Many colleges ask students to self assess their suitability for distance learning programs prior to enrolling in courses. The following example from Pierce College Washington USA, a community technology college that provides vocational degree and certificate programs for training or retraining in a variety of job fields, is typical (see Box M-12).
Box M-12: Enrolment information for students into Distance Learning programmes.

Is Distance Learning right for you?
Taking charge of your own learning "at a distance" is exciting and rewarding. Unlike the typical classroom, there are no instructors at the front of the room and no regular class meetings to motivate you. Students must be self-starters. They must also be very organised, willing to seek answers, and able to work independently. Finally, distance learners must like to read, be able to do research and possess above average technology skills (keyboarding, computers, e-mail, Web browsing, VCR/TV).

Finding that you can overcome these challenges and take responsibility for your education gives you the freedom and power to learn and grow for a lifetime!

Before you register, check your readiness by
- taking our assessment survey
- speaking with your faculty advisor,
- contacting the Advising Center,
- or by contacting the Distance Learning office.

On our web site
At the Distance Learning web site, you can check out the class schedule, find out how to enroll read class Welcome Letters, and find out the latest news from Distance Learning!

N.B. Each underlined item denotes a website page link to further information.

Pierce College Washington USA

Box M-12: Enrolment information for students into Distance Learning programmes

Applications for distance learning programs are generally followed up with a telephone interview if a face-to-face interview is not practical. The following points should be considered:

- Determine the learning style and self-discipline of the student to make sure they will be motivated to complete coursework. Many distance classes are very focused and intense, with much independent work required
- Determine what kind of time requirement will be expected of the student. Some programs may require the student to visit the college campus and meet with trainers/assessors or attend videoconferences or other two-way link ups while others may be exclusively online or text based
- Discuss the opportunities for training institution-student interaction as well as collaborative group learning, much of the coursework is likely to be done independently. Will this independence suit the students learning style?

Once students have passed the suitability test and been formally accepted onto a DL course, they are sent detailed information on the fee payment schedule, course timetable, DL orientation session details, resources and equipment to be purchased and or provided by student, resources and equipment to be provided
by the training institution, list of texts, references, websites and pre-reading materials, and a student handbook.

**Administering student records**

Record administration for student enrolments must at minimum track the following items:
- Contact details of students enrolled,
- The courses for which students are enrolled
- Details of any RPL assessments undertaken
- Fees paid
- Refunds and credits given.

This basic information can be collected through application forms, register of fees paid, and other course registration information. Collated information can be used for statistical and reporting purposes.

Additional enrolment records may be kept of:
- Application forms
- Interview details
- Registration forms
- Letters of acceptance
- Course brochures and timetables
- Advertisements placed.

**Costing and pricing VET enrolment**

The following items should be costed when preparing a budget for programme enrolments:
- Advertising newspapers, brochures, flyers, radio/TV, exhibitions, introductory seminars, websites, special offers
- Marketing course information, student handbooks (including code of practice) etc, enrolment forms
- Fees collection and banking, refunds, deferment of course and fee credits, protection of student funds insurance, if appropriate
- Enrolment administration staff, record keeping systems (e.g. computer hardware administration and database programme or manual system), correlation of enrolment statistical data
- RPL processes policies, procedures, assessors’ time
- Student interviews selection criteria, staff time
- Student induction policies, procedures, Induction/orientation handbook, staff time
- Access and equity policies, procedures, procuring training allowances, stipends for disadvantaged students
- Client welfare and client support and welfare staff. guidance services
Supplement Items
There’s no supplement available to this section.

Toolkit Items
The Toolkit comprises six items for this section:
Item 12: Checklist attraction, enrolling, financing records of students for VET
Item 13: Code of Practice Example
Item 14: Examples of Enrolment Forms
Item 15: Client Enrolment Procedure
Item 16: Ideas for Engaging Enterprises
Item 17: Training Needs Analysis and Skills Audit

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Pierce College Washington USA -[www.pierce.ctc.edu](http://www.pierce.ctc.edu)
2. Recognition Services and Products of Learning and Competency

The following pages explain the meaning of

- Recognition of prior learning (RPL) and
- Recognition of current competency (RCC)

and how recognition is given to the applicant for skills acquired through various methods. These terms are used for individuals who desire their skills, experience, knowledge etc. that they are currently using for a particular job or position, recognised through the process of submitting supporting evidence to be assessed against competency standards.

Competency recognition bases on competency standards define the skills and knowledge required for competent performance in an industry. They are defined by an industry, are nationally recognised and form the basis for training within that industry. Competency standards are documents that define the competencies required for effective performance in the workplace in a specific industry. They include the essential information needed to assess a candidate.

The chapter also explains the benefits of the RPL/RCC process, for how do we know when someone is competent and what an applicant requires to support an application for competency. This section also outlines the various methods of collecting evidence to support an application for RPL/RCC and the procedure for the application process.

The recognition of skills and knowledge

People who have been working in a particular position for a period of time may have some of or all the skills and knowledge as set out in the competency standard and may want to be assessed so they can achieve recognition for their skills, knowledge and experience.

Competency based assessment is the process of gathering evidence and making judgments about whether a person meets the criteria specified in the competency standard.

Recognition is the process that takes place over a period of time, under different conditions and circumstances. It is not a stand alone or one-off event like a test. The process involves the collection of a variety of evidence from different sources, that combined, address all the requirements of the standard.

The success of any service is a combination of both the outcome achieved and the processes involved. Given the uncertainty of the outcome of an RPL assessment, it is essential to have efficient and effective RPL processes, which support and engage applicants. Genuine and positive encouragement is a key factor to the success of the RPL process. Some applicants are very confident and comfortable with assessment while others may be nervous or reticent to apply for RPL.

The key difference between recognition and other assessments is that no tuition is required before an RPL assessment because the Applicant already holds the skills and knowledge. That is why RPL/RCC is sometimes referred to as an “up front” assessment.
The RPL/RCC process acknowledges the applicants competency from skills acquired through:
- Work experience/history
- Formal or informal training and education
- Life experiences – skills obtained through interests such as musical, mechanical, languages, sporting activities/involvement in sporting organisations
- Volunteer work
- A combination of the above.

What are the benefits of the RPL/RCC process?

Acknowledges skills already acquired
- Identifies strengths
- Identifies areas of weaknesses
- Identifies areas where additional training is required
- Eliminates any duplication of training
- Saves time and money
- Maps out a pathway to a higher qualification in the future
- Introduces a learning environment and culture in the workplace
- Valuing and recognising the skills, builds confidence and self-esteem
- Can result in a full qualification or part of a qualification called a statement of attainment.

The benchmarks for assessments used for RPL is the same as assessment of competencies in training. However, the assessment methods or processes can be very different.

To grant an RPL/RCC the assessor must be very sure that the applicant meets all the competency standards/outcomes in the accredited course.

The aim is to identify processes that are simple for the applicant while at the same time submitting reliable evidence of current skills against the benchmarks.

Industry as an important stakeholder in the recognition processes

Industry is often only involved in the verification of evidence for an applicant in the RPL process.

Ideally industry should be involved in the development of the RPL process and not only used as another form of evidence to verify that an applicant is competent.

Involving industry in the development phase of the process will reduce the risk and improve the quality of the RPL process.
Some key factors to consider in improving the relationship of industry in the RPL process:

- Consult with managers and supervisors about their RPL requirements
- Develop competencies/qualifications that represent real job tasks. This will link Industry job tasks to the guidelines for the assessment methods
- Involve Industry with negotiating benchmarks of competence from the employer’s perspective
- Confirm with employers what “on the job” competence means to them
- Consider the risk to Industry/Employers on issues such as safety and financial matters
- Research emerging changes to Industry such as new technology and changes to industrial arrangements
- Evaluating and moderating the RPL process to ensure consistency and quality of the RPL outcomes
- Building relationships with Industry through ongoing involvement to ensure quality and consistency to allow for changes and emerging trends

**Competency recognition**

In Vocational Education and Training, applicants are deemed to be competent when their skills, knowledge and experience are successfully applied to the standard of performance expected in the workplace.

Being competent is determined after completing a competency based assessment. A competency based assessment consists of various methods of validating evidence.

An applicant can be assessed at various times during the training. The process could be at the beginning of training, during training or they may not even enter into training, as they believe they are already “competent”.

Competency standards or units of competency have been developed by Industry against established standards often called benchmarks.

Competency standards are made up of “elements” which make up the essential information that is known as the performance criteria.

The applicant is required to prove, through various methods of assessment, that they can fulfil the performance criteria, which is required to be deemed as “competent” in the workplace.

Check Supplement 9 for two short case studies denoting RPL processes.

**Some evidence collection methods**

Methods of collecting evidence of an applicant’s competency may take many forms such as:

- Demonstration
- Observation
- Conversations/discussions
- Questioning
- Formal trade/skills tests
- Work samples
- Reports from supervisors
- Work history through resumes
- Letters from previous employers
- Documents relating to skills.

Assessors should verify the documents provided and use every opportunity to gather as much evidence as possible for the assessment process of RPL/RCC. Assessors should take into consideration the level of language, literacy and numeracy requirements that they do not exceed that of those required for the job.

**The recognition procedure**
The whole process of an RPL/RCC process is outlined in Figure M-02. For a full example of RPL / RCC Applicant forms check Toolkit Item 18: Application Forms for the RPL/RCC Process.

Figure M-02 shows the process of RPL / RCC as flowchart.
Step 1
The Interview
Applicant – Assessor
• Discuss the Application
• The type of evidence required
• The Timeframe for the assessment

Step 2
The Application Process
• The Applicant completes the application form
• Collects and provides the evidence

Step 3
The Assessment
• The Assessor examines the Application with the evidence
• The Applicant is notified within the agreed time

Step 4
Recording
• The Assessor records the result of the Assessment
• The course Co-ordinator is given a copy of the Assessment

Step 5
Additional Information
• The Assessor may request additional information
• The Applicant is informed of the outcome of the Assessment

Step 6
An Appeal
• The Applicant may appeal the decision
• The Application can be re-submitted

Step 7
The Final Decision
• The Assessor assesses the re-submitted Application and makes a final decision
• The Assessment is recorded and the Applicant informed

Figure M-03: Recognition of prior learning/recognition of current competency
As well as using standards to design learning programs, you can also use them for designing recognition processes. The evidence guide should provide you with information about processes and products to be collected as evidence. You can then use the performance criteria to create a checklist and evaluate the evidence for recognition.37

The first process in applying for an RPL/RCC is to arrange an interview with the applicant. The interview should cover points such as:

- Which units of competency is the candidate applying for RPL
- Informing the applicant of the types of evidence required to be presented in an application
- The format of that evidence
- Discussions about the timeframe for the completing of the application
- A date by which a decision would be given
- If the assessor felt that there may be difficulties as they may not have the required experience/skills for a successful RPL
- An explanation of the appeal’s process if the applicant disagreed with the assessment outcome
- Forms for the application are given to the applicant
- Both parties to sign a record of interview to include the above points.

Documentation
Copies of any certificates or completion of courses should be included in the application to support the competency. It is the responsibility of the applicant to show proof of experience and education. If you do not provide adequate and relevant evidence the RPL process may be unsuccessful.

References
Written references from previous employers should be included in the application. The reference should include the title of the position held, the duration of the employment, the duties of the position and the skills of the position.

Another reference could be from a volunteer organization or an NGO and the same information should be included.

Risk management
Managing the risk in the RPL process requires a systematic application of management policies, procedures and practices to identify, analyse, evaluate, treat and monitor the risk.

An effective RPL process is one that minimises the incidences and consequences of different risk by prescribing and applying appropriate controls.

Work based RPLs can minimise risk in assessment because industry and employers are directly involved, ensuring that the assessor and industry are collaborating and sharing in assessment of industry competence.

A risk management approach is a positive and effective way to deal with many concerns arising from competency based assessments.

**Key issues in competency based assessment**
- The authenticity, validity, reliability, currency and sufficiency of evidence
- The reputation and integrity of the RTO, their staff and VET sector
- Differential training and assessment paths for existing and entry level workers
- Requirements of regulatory and licensing bodies
- Quality and consistency of assessment practices
- Maintenance of industry standards across multiple learning and assessment environments
- The risk analysis process should identify areas of greatest risk or consequence and direct assessment energies to where they are most needed.

**The costs of an RPL/RCC application**

**Interview time:**
- With applicant to discuss the skills/experience etc required for the unit/s of competency
- Explaining the RPL/RCC process
- Explaining the collecting/gathering of evidence – the types and sources to support an application
- Explaining the application forms
- Additional time with the applicant once the application form is complete
- Going over the information on the application form and to ensure that the applicant has supplied all the details and attachments
- What is the next step – a timeframe for the decision and when the applicant will be informed.

**Processing the application:**
- Matching the evidence submitted (references, skills tests, supporting letters, Certificates etc) to the elements of the competency
- Checking references – time involved in telephoning when possible or writing to a Referee
- Talking to supervisor to verify skills in the workplace
- Time may be required in talking to the applicant if an area in the application is not clear.

**Administration:**
- If successful, issuing a statement of attainment for the unit/s of competence as part of the qualification
- Cost of the stationery
If unsuccessful, notifying the applicant in writing and contacting by telephone
Further interview if the applicant wishes to appeal the decision – what would be required to support an appeal (may be in the area of additional evidence or that additional training/experience is required).

The candidate will be charged an RPL/RCC fee based on the hourly charge out rate of the assessor and will not exceed 70% of the fee for the course.
For a working sheet example of RPL/RCC costing check Toolkit Item 19: *RPL/RCC Costing Worksheet*. 
Supplement Items
There is a supplement completing this section of the Manual. Check it if you’re interested in a more in-depth knowledge on the topic handled:
- Supplement 9: Two Case Studies for RPL

Toolkit Items
The Toolkit comprises two items for this section:
Item 18: Application Forms for the PRL/RCC Process
Item 19: RPL/RCC Costing Worksheet

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3. Distance Learning

The following pages outline the processes and costs involved in establishing, delivering and evaluating rural Distance Learning programs. They will help you assess the viability and sustainability of providing Distance Learning programs as part of your VET services.

Introduction

Distance Learning (DL) is a method of learning in which students are not required to be physically present at a specific location during the learning process. Students are formally enrolled in a school or college but receive instruction at some remote site. Although DL is increasingly used to deliver educational programs in city areas, its primary use is to improve educational services in rural areas where traditionally people do not have access to good quality education.

Mobile training has the following benefits:
- Training is available locally reducing costs for trainees
- Training can be tailored to meet local labour market needs.

Equity and access issues can be addressed eg women are more likely to attend locally conducted courses.

It maybe expensive requiring human and capital resources, including modified vehicles. Highly skilled staff are needed to deliver mobile training. A combination of distance learning and in-village (mobile) training would be a means of delivering continuing education and training. Check Supplement 10: Distance Learning Basics to get an overview on the topic and Supplement 11: Seven Tips for Successful Online Learning.

Financing of a DL programme

Financing of a DL programme is to be oriented on the basics described in Section D and adapted to the special purpose. This is to be explained in the following.

Itemise and determine start up cost

“Accurate costing and budget preparation can be particularly difficult in DL project design. There are numerous variables that must be assessed accurately before any estimate of costs can be made.”

Low cost and sustainability are important keys to success in setting up a DL programme. There are three ways to measure cost efficiency:
- Average cost per student enrolled in programme

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38 Goldman: op cit n3, section 5, p. 35
- Average cost per graduate of the training programme. (When drop-out rates are taken into account, a single graduate will be more costly to produce.)
- Cost per student learning hour.
- Be careful of variable as well as of fixed costs!

**Start up costs to consider include the following items**

**Selection of technology:**
Printed materials, audio-cassettes, TV and video cassettes may be the lower cost options for small numbers of student numbers (250 or less). Consider radio programs, CD ROMS for larger student numbers (1000 or more). Computer based applications, internet, email, video conferencing have a higher start-up costs (student workstations, computers, printers, ISP servers) but may prove less costly overtime.

**Connectivity:**
Connectivity is the process of transferring audio, video, data or print from the training centre to the student and then back again (feedback loop). Costs will depend upon the supplier and may be a large portion of the programme budget. In rural environments, connectivity options are likely to be limited to:
- optical fibre,
- terrestrial landline (copper-wired) telephony, and
- terrestrial wireless.

**Depreciation:**
Equipment and facilities will need replacing or updating. For lower-level technologies, most of the costs will include repair and replacement of worn out items (printed materials, audio and video cassettes).

**Development of curriculum/instructional materials:**
Very difficult to quantify costs, but some programs allocate as much as 70% of the budget to curriculum and instructional materials development, procurement, printing and distribution.

**Student support services:**
Cost estimates will depend upon the types, numbers and locations of students and be influenced by student need for start up and ongoing support.

**Management support and administration:**
Management of the central training site will include programme administration tasks, (e.g. needs surveying, marketing, enrolment, record keeping, budgeting). Also field staff must be managed (support, training, site visits, problem solving, monitoring and evaluation).

**Identify ongoing costs**
In traditional education staffing and teaching salaries account for up to 90% of the total recurrent programme costs. The use of technology may decrease the
number of teachers required and provide a savings in salaries, but will increase the costs for curriculum and instructional materials development and programme delivery. Generally about 25% of a budget for a DL programme would be used for equipment purchases and the remaining 75% would be used for instructional content development and delivery costs.

"Costs can be estimated on a per-student basis and then aggregated to provide the estimated costs derived from the use of DL. This can then be compared with the costs that would have been necessary to provide the same increases in quantitative enrolment through traditional means."

Major ongoing costs would include:
- Programme operation and delivery to and from the central and field sites
- Programme administration
- Student support services
- Institutional management.

**Identify ongoing benefits**

Benefits can be:
- Performance-driven benefits that measure increased student enrolments, learning outcomes achieved, student/instructor satisfaction and return on investment
- Value-driven benefits include increased quality and access to training services, flexibility and ease of use
- Societal benefits might include such things as reduced traffic to campus, the opening up of new markets, access to education for girls or reduced inequalities between rural and urban areas.39

**Identify funding and financing arrangements**

A realistic business plan for a DL project will need to be developed.

"Without a viable plan for sustainability, the implementation risk should be considered too high for Bank financing."40

Possible funding sources could include:
- Bank loans
- Public and private partnerships with well-financed universities, schools or colleges
- Major international corporations, bilateral development organizations
- National and local government grants.

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39 World Bank Development Project 2004
40 Goldman: op cit n5, p. 7 (Emphasis added)
Undertake financial management and monitoring

Financial management and monitoring is primarily concerned with managing and improving the cost-effectiveness of the DL project. Principal costing items to be monitored will include:

Programme development:
Training needs surveying/ DL technology surveying/curriculum development and procurement/ instructional materials developed and procured/ staff training/training facilities and resources.

Programme delivery:
Marketing/student enrolment and drop out/student support/ delivery of instructional materials/ teaching and facilitation/technical problem solving.

Programme evaluation:
This should use performance indicators to measure inputs, processes, outputs, outcomes, and impacts of the DL programme. When supported with sound data collection, analysis and reporting, these indicators should allow you to track progress, to demonstrate results and to take corrective action to improve service delivery. See Toolkit Item 20: Distance Learning Programme Evaluation.

For a Case study on how to organize a DL-programme check Supplement 12: A Case Study – Internet-Based Distance Education Programme Development in Vietnam
Supplement Items
There are three supplements completing this section of the Manual. Check them if you're interested in a more in-depth knowledge on the topics handled:

- Supplement 10: Distance Learning Basics
- Supplement 11: Seven Tips for Successful Online Learning
- Supplement 12: A Case Study – Internet-Based Distance Education Programme Development in Vietnam

Toolkit Items
The Toolkit comprises four items for this section:

Item 20: Distance Learning Programme Evaluation
Item 21: Training Needs Survey (referenced in the Supplement)
Item 22: A Student Self-Assessment for Distance Learning (referenced in the Supplement)
Item 23: Distance Learning Checklist to Chose Technology (referenced in the Supplement)

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http://cctc.commnet.edu/HP/pages/darling/journals.htm

Learnlink: http://learnlink.aed.org/

OneWorld.net: http://www.oneworld.net/

www.distancelearningnet.com

www.e-learningcentre.co.uk www.e-learningguru.com/links.htm

www.knowledgeability.biz/weblearning

The following websites provide students with a questionnaire to assess their suitability for distance learning.


http://www.gccnj.edu/distance_learning/FAQ/questionnaire.htm

The following site provides organizations with information on distance learning start up issues and cost analysis:

http://www.col.org/resources/startupguides/knowledge.htm
4. Assessment

The following pages explain the different types, components and processes of work-based assessment and give an indication of the costing factors involved in planning, conducting and reviewing on-the-job competency-based assessment as part of your VET services.

Assessment is the formal process of judging students achievement of learning outcomes following a period of study. Formal assessment uses sound measurement procedures and techniques to interpret and evaluate students’ performance against a recognised standard of performance. For a complete workplace assessment process model, check Toolkit Item 24: Workplace Assessment Model Process.

Assessment takes two forms after the setting it takes part in:
- Institution or school based assessment
- On-the-job assessment.

As VET institutions have experience with school based assessment, we will focus in this section on on-the-job assessment.

Competency-based assessment

A number of countries (Australia, Mexico, United Kingdom) use national, state or regionally developed competency-based standards as the basis of both VET training and assessment.

Competency standards are industry “benchmarks” for the performance of workplace tasks. They define and describe the skills, knowledge and attitudes an individual needs in order to demonstrate their competent performance and productive capacity in workplace tasks.

Competency-based assessment measures peoples’ ability to perform specific work tasks according to these industry competency standards. Three key areas of competence form the basis for assessment:
- **Skills**: The ability to carry out specific tasks to the required standard of performance. Also included are the generic skills 1 required for work performance (Check also Supplement 2: Generic Skills)
- **Knowledge**: The essential theory and ‘know-how’ required to perform tasks to the required standard
- **Attitudes**: The ability to perform tasks productively, in a safe and effective manner, and according to established workplace procedures and recognised industry standards.

Figure M-04 shows the mechanism of competency based assessment.
Competency-based assessment is used:
- to identify peoples training needs
- to provide recognition for their previous learning experience (RPL)
- to award qualifications at the end of a period of training.

Assessments are carried out with apprentices and trainees, workplace employees and institutional training programme students. Box M-13 shows an example of on-the-job assessment.

**What do competency-based assessors do?**

An assessor must first establish what evidence to collect and how it will be collected. Evidence is the information gathered about a candidates’ ability to perform a work task to the required standard. This evidence provides the assessor with the basis for making a judgement of the candidates’ competence. Assessors are of crucial importance for the validity and usefulness of assessment. Check Supplement 13 to have a look on the various *Roles and Skills Required to be an Effective Assessor*.

**Deciding what evidence to collect**

Evidence is gathered about the candidates’ skills at performing the task, their knowledge of the task, as well as their workplace attitudes, values and behaviour. This evidence is matched against the competency standards for which the...
candidate is being assessed and judged as to whether it meets the required standard.

**Box M-13 On-the-job assessment**

In Australia over 90 major industries have developed national training packages that describe the competency standards for all areas of work within their industry from basic workplace tasks to managerial level tasks.

Specific work task competency standards are described as “units of competence” and these are parcelled together to make up national qualifications ranging from Certificate I level to advanced diploma.

For example the Service Industry Skills Council of Australia has an endorsed National Training Package for the Retail Industry. A unit of competence from that package is: WRRCA1B: Operate retail equipment. This unit forms part of the certificate II in retail operations. (See Toolkit Item 25: Unit of Competence Example)

The unit of competence provides both trainers and assessors with the core information they require to train and assess candidates who wish to qualify as shop assistants.

An important part of the unit of competence is the evidence guide. This provides detailed information to the assessor about the critical aspects of evidence and the skills and knowledge that need to be demonstrated by the candidate. It also gives guidance as to how the assessment should be carried out and what resources are required for the assessment.

In addition, the training package from which the unit is taken gives further important information about how assessments should be carried out in that industry area in a section entitled „assessment guidelines”.

**Gathering quality evidence in assessment**

When establishing what evidence to collect, and when gathering and judging evidence of competence, the assessor should ensure that it meets four basic rules of evidence. These four basic rules of evidence must be met in order to ensure a quality assessment process. The assessor should collect:

- **Valid evidence**: Valid evidence does the job. To ensure validity, the candidate’s evidence of competence must relate directly to the competency standards being assessed as well as to real workplace activity.

- **Sufficient evidence**: Sufficient evidence means there is enough to confirm competency. To ensure sufficiency, evidence must cover the full range of task performance identified in the competency standards. The evidence should demonstrate consistent performance by the candidate over a period of time and in different workplace contexts.

- **Current evidence**: Current evidence is up to date. To ensure currency the evidence must show that the candidate is currently able to apply the skills and knowledge necessary to demonstrate competency at the task. Currency of evidence can be an issue in recognition processes where the candidate is providing historical evidence of competence.

- **Authentic evidence**: Authentic evidence is the candidate’s own work. To ensure authenticity, evidence must be checked to prove that it was the
work of the candidate. Assessors may need to get confirmation from supervisors, trainers, educational institutions and employers to check the authenticity of qualifications, references, and licences.

**Deciding how to collect evidence of competence**

The four basic methods used by assessors are:

- Observing actual workplace performance, or simulated workplace activities and recording what is witnessed in a manner consistent with the requirements of the competency standards being assessed. Performance checklists are often used as assessment tools for observation of work tasks. See Toolkit Item 26: *Examples of Competency-Based Assessment Tools - Performance checklist.*

- Examining and reviewing finished products, including portfolios of completed work projects. Checklists are used for checking that finished products meet the required standard.

- Asking questions of the candidate, in verbal or written format to gather evidence of the candidates underpinning knowledge of the task being performed. Lists of verbal questions, test and examination questions, quizzes, case studies and problem solving activities are used as assessment tools. See Toolkit Item 26: *Examples of Competency-Based Assessment Tools - Verbal Questions checklist.*

- Interviewing other people who know about the candidates work abilities and examining information about the candidate provided by third parties such as supervisors, line managers, trainers, work colleagues. Supervisor reports and testimonials are examples of evidence collected by assessors. See Toolkit Item 26: *Examples of Competency-Based Assessment Tools - Third Party checklist*

Assessment methods and tools should be chosen or designed in consultation with enterprise employers, supervisors and trainers to ensure that they match the specific workplace context without compromising recognised industry competency standards. Box M-14 shows an example of assessment consultation to generate appropriate tools.

No single assessment tool should be relied upon to provide a full picture of competence. Each tool is designed for a specific purpose. For example when conducting a workplace observation of a candidate performing a task, a good tool to use is a performance checklist. This checklist allows the assessor to systematically record what is observed and match it against the competency standard requirements for job performance. The Toolkit provides a list of assessment tools and their purposes in its Item 27: *Assessment Tools Overview*, which shows how different assessment tools can be used to gather different forms of evidence using a range of assessment methods.
Box M-14: Assessment and industry consultation

A vital ingredient for establishing effective on the job assessment is to ensure there has been a consultation process between the training provider and representatives from industry groups as well as between assessors and employers.

“The key to success when dealing with the mining industry is not to tell industry what to do, but instead inform them of what the training organization can do for them. We’ve organised meetings with mining representatives to help them set competency benchmarks using Training Package standards. All assessments are done on the job so we need to be clear about what we are assessing and what performance level is competent in accordance with workplace standards. Because of our great relationship with industry we are able to work through these issues together face to face on the various mining sites.” Illawarra Institute of TAFE. NSW, Australia

“In delivering qualifications from the food processing training package we negotiated the assessment approach at the beginning of the programme with the client and then developed workplace assessment strategies in conjunction with the enterprise employer and supervisors. The assessment approach has been designed to fit with the needs of the enterprise and to incorporate specific workplace procedures and protocols.” West Coast College of TAFE in Western Australia.

**The process of on-the-job assessment**

There are six basic steps to follow when conducting an on-the-job assessment with a candidate:

1. **Briefing the candidate:** The assessment event briefing is an opportunity to put the candidate at ease; to go over the steps in the assessment process, and explain what the assessor will be doing and what is required of the candidate.

2. **Gathering the assessment evidence:** Gathering evidence should be an efficient, cost effective process in which the assessor takes a strategic approach and looks to find immediate indications of competence. The critical aspects of evidence should indicate that the candidate is competent in all elements of the task and can work safely and to a consistent standard of quality. The assessor must record evidence of competence accurately using their assessment tools, noting down skill or knowledge gaps if they are observed.

3. **Evaluating the evidence:** This should be done against the requirements of the competency standards being assessed. The assessor should take time out to weigh the evidence to see that it meets the four rules of evidence mentioned earlier and that there is consistent demonstration of competence over a period of time.

4. **Making the assessment decision:** Once sufficient time has been given to evaluating the evidence of the candidate’s abilities, the assessor should be ready to make an assessment decision. In the competency-based system the candidate is found to be ‘competent’ or ‘not yet competent’
5. **Giving feedback to the candidate:** The assessor needs to give accurate and constructive feedback to the candidate. Constructive feedback should include:

- Tell the candidate the overall result (competent/not yet competent)
- Be positive. Praise strengths and affirm the area where the candidate did well
- Be precise and give specific examples about any gaps in performance
- Identify any parts of the assessment that need to be repeated
- Suggest strategies for overcoming gaps in competence
- Arrange another opportunity for the candidate to be assessed if required
- Assist the candidate in forming an action plan for further development.

6. **Recording the assessment results:** Assessment requires systematic recording and documentation processes. Records could be kept for the following items:

- The assessment plan including details of competency standards being assessed, the assessment process, methods, tools, resources and materials
- Examples of evidence submitted for assessment
- Records of pre-assessment interviews, including self-assessment checklists and agreements on assessment procedure
- The assessment results, including information on training gaps identified
- The assessors review of the assessment process
- The qualifications, awards, licences issued by the training organization as a result of successful completion of the assessment
- Records of assessment review or validation meetings including details of changes and improvements made to assessment tools and processes
- Details of assessment costs.

Check Toolkit Item 28: *Assessment Case Studies* for three illustrating case studies.

**Ensuring quality and consistency in assessment**

Assessments should be reviewed on a regular basis to ensure that the assessment decisions, procedures, methods and tools comply with basic assessment principles of validity, reliability, flexibility and fairness. Training organizations should support the continuous improvement and refinement of assessment processes and tools to maintain the quality of the assessment system.

Key questions to consider:

- Was the assessment event time and cost effective?
- Did it meet the needs and expectations of the candidate and the employer?
- Were Occupational Health and Safety regulations and procedures followed?
- Was consistency of competence demonstrated over time?

**Box M-15: Assessment Validation**

In Australia Registered training organizations are required to conduct assessment validation meetings on a regular basis. The aim is to produce consistency. A consistent assessment process is one in which assessors assess candidates against the same units of competence over a period of time in different work-based contexts and make comparable assessment decisions.

A variety of formats for assessment validation are used including:
- **Assessor networks** – where individuals involved in VET assessment come together to discuss and evaluate their assessment practices.
- **Bank of assessment exemplars and benchmarks** – Developed in consultation with industry groups and amongst RTO’s a bank of candidates assessment evidence examples that are considered to be exemplary are provided for assessors to benchmark their own assessment decisions.
- **Moderation meetings** – Assessors meet together within a training organization or across a number of training organizations and examine assessment processes, decisions and tools in a particular industry sector.
- **Field testing** – Involves trialling or piloting evidence gathering tools to determine whether they are appropriate for the assessment context, gather quality evidence and meet the needs of enterprises. Refinements are made after testing.

**Box M-15: Assessment validation**

**The costs of workplace assessment**

VET institutions should consider the following items when costing and pricing workplace assessment:
- Staff development to train assessors
- Development of policies and procedures relating to assessment
- Purchase or development of industry competency standards
- Purchase and or development of assessment tools, materials and resources
- Consultation with industry groups, employers, supervisors and technical experts
- Planning and conducting of assessments
- Development of assessment record keeping systems/student information systems about assessment
- Assessment coordinators to provide ongoing assistance, feedback and support to assessors in the field
- Assessment review and validation processes including dealing with appeals made by candidates against assessment decisions
- Issuing qualifications and statements of attainment.
Supplement Items
There is a supplement completing this section of the Manual. Check it if you’re interested in a more in-depth knowledge on the topic handled:
- Supplement 13: Rolls and Skills Required to be an Effective Assessor

Toolkit Items
The Toolkit comprises five items for this section:
Item 24: Workplace Assessment Model Process
Item 25: Unit of Competence Example
Item 26: Examples of Competency-Based Assessment Tools
Item 27: Assessment Tools Overview
Item 28: Assessment Case studies

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Learning and assessment strategies part 2: This resource guide provides VET providers with a range of practical tools and resources for engaging with enterprises/industry when developing and validating learning and assessment strategies. Includes case studies [http://www.anta.com.au](http://www.anta.com.au)

National centre for Vocational Educational Research (NCVER): This is Australia’s principal research and evaluation organization for the vocational education and training sector in Australia. The site offers a general introduction to assessment and provides links to research projects, reports, resources and articles on assessment [http://www.ncver.edu.au/assess.htm](http://www.ncver.edu.au/assess.htm)

National Training Information Service (NTIS): A national database, maintained by the Australian National Training Authority, that contains detailed information on accredited courses, Training Package qualifications, competency standards, and training organizations throughout Australia. [http://www.ntis.gov.au](http://www.ntis.gov.au)

The Australian National Training Authority (ANTA): Established in 1992 to provide a national focus for vocational education and training (VET). Provides a variety of resources and links on assessment http://www.anta.com.au

The Resource Generator: This website provides trainers and assessors with access to information about units of competence, qualifications and learning and assessment resources across a range of industries. It allows users to view documents, customise resources, download and print documents and upload their own resources and incorporate them into documents. http://www.resourcegenerator.gov.au/

Training Packages @ Work: Publishes resources for teachers, trainers and assessors in the vocational education and training sector. The site contains lots of up-to-date information on assessment. http://www.tpatwork.com

Vocational Education and Assessment Centre (VEAC): A user friendly useful resource site with a wide variety of information and resources on assessment issues. PDF copies of the Training Package Assessment Materials Project Guides can be accessed from this site. Also see ‘On Track – a guide to Assessment Validation’ http://www.veac.org.au/astabout.html
5. Quality

The following pages outline the processes involved in establishing and implementing quality management in a VET context. They will help you assess the value and benefits setting up a quality management system as part of your VET services. Costing a VET quality system at an organizational level will be dealt as well.

**Quality in Vocational Education and Training**

Although quality is a difficult term to define, it usually implies a degree of excellence or good practice. Quality in organizational performance is usually measured against a set of clearly defined and auditable standards of operation. These standards provide the necessary criteria for effective management, delivery and evaluation of services. An organization can judge its performance against its ability to meet these standards. Understanding quality is embedded in the respective socio-cultural context of a country or a region.

Most of these standards are internationally acceptable. The quality standards have a critical bearing on VET costs, such as highly-qualified teachers, equal opportunities for underprivileged people, learner centred training methods etc.

Quality in VET is achieved through the establishment and implementation of standards that govern the quality of service provision. These standards relate to all aspects of an organization’s operation including:
- Business planning and management
- Provision of training and assessment
- Client services and student support
- Marketing and promotion
- Record keeping and administration.

An effective quality management system includes ongoing monitoring or “continuous improvement” to ensure that the organizations complies with established standards and identifies opportunities for improvement in organizational performance.

Quality standards for VET providers often form part of a comprehensive and integrated national quality system. It may include delivering nationally accredited courses and issuing nationally recognised qualifications. VET training providers are registered within the national system by demonstrating the required standard of performance against nationally agreed quality standards.

**Introducing a VET quality system at a national level**

The establishment of a national quality system can have wide-reaching benefits for the VET sector. A major benefit is that it allows for mutual recognition of the qualifications issued by training providers who are registered within the system. In other words, a qualification issued by one organization represents the achievement of the same level of skills and knowledge as the same qualification issued by another training provider. This increases the credibility of a qualifica-
tion and promotes confidence in its worth by employers, students and other training providers.

Additional benefits can include:
- Increased status and image of the VET sector
- Increased ability to meet industry needs and priorities for training
- Increased ability to address local and national skills shortages
- Ensuring employer confidence that the skills of their workers meet industry needs
- Uniform quality of training and assessment
- Increased access to VET services by students and providers
- Greater flexibility of training options and pathways to further training
- Increased job opportunities for students
- National recognition of qualifications
- Providing students with skills which are highly recorded and valued by employers.

For optimum effectiveness, government commitment and funding is required towards the establishment of a national quality system for the VET sector.

A national quality system should embrace the following areas:
- Standards for training providers registered within the system
- Standards for bodies required to administer, regulate and monitor the system
- A national qualification framework, through industry defined competencies
- Accreditation of training programs and courses
- The standard of training support materials and other resources
- Stimulation and encouragement of training markets that offer flexible training opportunities for prospective students.

Check also Supplement 14: *Quality Indicators for Vocational Education Systems* for a closer look on this topic.

We will now look at each of these areas in more detail. The federal government of Australia began the establishment of a national training system in the 1990’s. The key objective of the Australian Quality Training Framework (AQTF) is to provide the basis for a nationally consistent, high quality vocational education and training system. The AQTF ensures that all registered training organizations (RTO’s) and the qualifications they issue are recognised throughout Australia. In 2001 an agreed set of twelve standards were issued to govern the quality of training provision in Australia:

1. Systems for quality training and assessment
2. Compliance with Commonwealth, State/Territory legislation and regulatory requirements
3. Effective financial management procedures
4. Effective administrative and records management procedures
5. Recognition of qualifications issued by other RTO’s
6. Access and equity and client service
7. The competence of RTO staff
8. RTO assessments
9. Learning and assessment strategies
10. Issuing AQF qualifications and Statements of Attainment
11. Use of National and State/Territory logos
12. Ethical marketing and advertising.

Recognition of qualifications issued by other RTO’s
The AQTF comprises two sets of nationally agreed standards to ensure the quality of vocational education and training services throughout Australia. They include standards for training providers and standards for regulating bodies.

a) Standards for training providers
National standards provide a benchmark for good practice within the VET sector. The development of appropriate and effective standards for training providers is best achieved through consultation with a range of stakeholders including representatives from relevant industries, government departments, training providers and local communities. The standards should cover all aspects of operation. Training providers who wish to be registered within the national system need to demonstrate compliance against the Standards.

Box 16 The AQTF Standards for Registered Training organizations (RTO’s)
AQTF requires RTO’s to:
Have documented systems (policies and procedures) for quality training and assessment
Conduct an internal audit at least annually to test compliance against the 12 standards
Have documented agreements with other organizations when they provide training or assessment in a partnership arrangement
Have written procedures for recruitment, induction and professional development of staff
Use trainers and assessors who have formal qualifications in training and assessment as well as experience in their subject area
Follow explicit requirements for quality assurance in assessment
Have a process for recognition of prior learning and offer to recognise the prior learning of all learners on enrolment
Follow specific requirements for developing and delivering course curriculum, and for validating assessment processes and tools.

Box M-16: AQTF standards for RTO’s
b) Standards for regulating bodies
National, regional or state regulatory bodies are required to administer a national VET quality system.

Regulatory tasks include:
- Registering training providers to deliver training, assess competency and issue nationally recognised qualifications
- Auditing registered training providers to ensure they meet (and continue to meet) the requirements of the Standards
- Ensuring mutual recognition of providers and qualifications issued is applied;
- Accrediting courses
- Maintaining a register of approved training providers and accredited courses
- Dealing with complaints and grievances.

Standards for regulating bodies ensure national consistency in auditor standards, audit practices and process, and course accreditation requirements.

Box M-17 The AQTF standards for state and territory registering / course accrediting bodies

AQTF provide for nationally consistent auditor standards, audit practices and process and cover:
- Confidentiality
- The qualifications, selection and monitoring of auditors and technical experts
- Appeals, complaints, disputes and sanctions
- Applications for renewal of registration by training providers
- Posting up-to date information on the National Training Information Service website (NTIS)
- Recognition of Australian Qualifications Framework (AQF) qualifications and statements of attainment
- Course accreditation processes (including the process for establishing the need for courses, as detailed in the publication guidelines for course developers).

Box M-17: AQTF standards for auditor standards

c) A national qualification framework
A national qualification framework provides a comprehensive, nationally consistent yet flexible structure for all qualifications in post-compulsory education and training. It defines the qualifications, describes the distinguishing features of each qualification level and sets out the general characteristics of education and training at each qualification level.
### Box M-18 The Australian Qualifications Framework (AQF)

The Australian Qualifications Framework is a single, coherent framework for qualifications from senior secondary certificates through to doctoral degrees.

The framework links together all these qualifications and is a highly visible, quality-assured national system of educational recognition, which promotes lifelong learning and a seamless and diverse education and training system.

It covers qualifications issued by secondary schools, vocational education and training (VET) providers and higher education institutions. All qualifications are nationally-recognised.

Within the framework, there are six VET qualifications available: Certificates I, II, III and IV; diploma and advanced diploma. Learners who complete some, but not all, standards for a qualification are awarded a statement of attainment. When they are assessed as competent in the remaining standards, they attain the qualification.

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**Box M-18: The Australian Qualifications Framework (AQF)**

In Australia, national training packages are developed for each industry through an extensive process of industry and training provider consultation. Each training package specifies the outcomes (competency standards) required to carry out a range of tasks within an area of industry. The training package also provides guidelines as to how assessment should be carried out before a qualification may be issued.

Training packages are developed at state level and endorsed at federal government level through the Australian national training authority (ANTA). Courses not contained within industry training packages are accredited by State regulating bodies.

**d) Accreditation of training programs and courses**

In Australia, National Training Packages are developed for each industry through an extensive process of industry and training provider consultation. Each Training Package specifies the outcomes (competency standards) required to carry out a range of tasks within an area of industry. The Training Package also provides guidelines as to how assessment should be carried out before a qualification may be issued.

Training packages are developed at State level and endorsed at Federal government level through the Australian National training Authority (ANTA). Courses not contained within industry Training Packages are accredited by State regulating bodies.

**e) Training support materials and other resources**

Training support materials include all the learning resources required to achieve specific learning outcomes and qualifications. This includes curriculum, student workbooks and other learning materials assessment tasks etc.
In Australia, learning and assessment materials and resources are developed or purchased by individual training providers. Although support materials are not nationally endorsed a quality control system is in place whereby they can receive a “tick of approval” from the Australian national training authority (ANTA). Thus the national system in Australia controls what must be taught without specifying how it must be taught.

f) Stimulation of training markets
A National system can provide research and funding to develop new training markets.

For instance in Australia ten industry skills councils provide accurate industry intelligence to the VET sector about current and future skill needs and training requirements. They also support the development, implementation and continuous improvement of quality nationally recognised training products and services, including training packages.

Meanwhile federal and state bodies provide funding in the development of labour market programs, apprenticeship training and professional development.

Introducing a VET quality system at an organizational level
Training providers can introduce a quality system at a local level whether or not it is part of a national system. Even if there is no national system in place, quality control should significantly enhance both the reputation and the organizational effectiveness of the training providers involved. For instance a regional cluster of providers could initiate a system that could realize most of the benefits of a national system.

Case studies of countries that have introduced a VET quality system are provided in Toolkit Item 29: Case Studies.

The flowchart in figure M-05 sets out the steps involved in establishing a quality control system.
To implement a quality system involves:

1. Making staff appointments or delegating responsibility for key tasks as described in the relevant policies and procedures. For instance, an occupational health and safety policy (see Toolkit Item 30: Occupational Health and Safety Policy) may require the organization to have a designated person with direct access to the Chief Executive who has defined responsibility and authority in relation to occupational health and safety issues within the organization.

2. Ensuring that staff with delegated responsibilities develop systems in line with their documented duties.
3. Ensuring that staff, trainers and assessors are provided with information from the policies and procedures that relate directly to their areas of responsibility. This can be achieved through the production of a trainer and assessor handbook and staff induction procedures.

4. Requesting staff, trainers and assessors to familiarise themselves with policy guidelines and to follow the correct procedures in completing tasks.

5. Requesting administrative staff to develop systems in line with relevant administrative procedures.

6. Encouraging staff, trainers and assessors to discuss any issues that arise from implementing the policies and procedures with the Chief Executive Officer.

7. Following up to ensure that policy guidelines and correct procedures are being followed.

8. Following up to ensure that administrative procedures are working effectively.

9. Reviewing all policies and procedures on a regular basis. Procedures in particular need to be kept up-to-date with changes in organizational practices. A version control procedure would document the processes involved in maintaining up-to-date documents.

10. If the organization is to comply with a national or international set of standards then it is advisable to carry out a trial audit before official compliance auditing is required.

**Costing a VET quality system at an organizational level**

The main costs in establishing a quality system is in human resources. If an institution decides to acquire the International Organization for Standardisation (ISO) eg 9001:2000, there are costs associated with pre-certification (this work can be done by staff or external consultants), certification, surveillance audits and re-certification (usually at three years) is conducted by ISO certified companies.

The institution will have to decide the level of expenditure allocated for quality. If possible they should aim for good practise, acquiring national and/or international certification.

It should be noted that institutions can implement quality or good practise without gaining registration from a national or international organization.

The processes and staff training in quality management required to achieve registration (as for ISO) can be used as guidelines to assist in introducing quality systems and good practise. Costs for registration and implementing ISO will vary between countries.

When costing a quality management system it is important to ensure that the cost of improvements will be supported by the benefit of the system.
The following equation can be used to look at the cost/benefit associated with implementing a quality system:

\[
\text{Tangible benefits - cost of quality implementation} = \text{Financial benefits}
\]

The development and implementation of a quality system can be expensive because of the labour and time required to develop effective policies, procedures and the necessary forms and information required for administering the system. However, pro-forma policies and procedures can be purchased and customised to meet the specific organizational requirements of the training provider.\(^4\)

The quality systems matrix in the Toolkit Item 31: *Quality System Matrix – Australian Example* accompanying this section list the policies, procedures, organizational documents and forms required to meet a set of established standards. It is completed by a *Self Audit Checklist and Cost* (Toolkit Item 32) and the *Quality management Policy Procedures* (Toolkit Item 33) for this example.

Policies and procedures should be developed for the following areas:

- Business planning and management including financial plans, budgets, insurance and tax issues
- Provision of training and assessment including staff qualifications, links with industry, training needs analysis, delivery methods and resources, assessment procedures and assessment validation
- Client services and student support
- Marketing and promotion
- Record keeping and administration.

The development of policies, procedures and forms for one area of service management may take from 10-20 work hours to research, develop and refine.

**Quality assurance in Vocational Education**

The last decades have seen an increase in the importance of world-wide discussions and measures concerning quality assurance in many fields (production, service and administration). The 1990’s saw an emphasis on process-oriented quality assurance, ISO 9001 and TQM. The recent emphasis has shifted to client/consumer orientation. This is described as “education monitoring”.

Education monitoring is understood as a planning-orientated evaluation instrument for the goal and result-oriented design and control of vocational training and further training, in order to optimise their usefulness.

The concept and its activities are directed towards the phases of the educational process and include the following elements:

- Education needs analysis
- Goal ascertainment
- Conception and planning of educational measures

\(^{4}\)ATQF Standards: www.manager-tool.com/theiso9000Toolkit.html
- Implementation of educational measures
- Checking on success (and failure) and securing transferability.

In Europe, the following approaches and methods for quality assurance in vocational education can be identified.

Quality assurance through:
- Market mechanisms
- Measures to improve market transparency
- Certification of recognised diploma’s
- Contractual regulation and specification of obligations
- Self monitoring by executors of education
- State conditions of support
- State regulation of the market consumer choice.

Criteria have to be developed or adjusted to evaluate the quality of VET activities. Some of the most crucial ones are pointed out in table M-07 by being structured in descriptive and analytic ones.

<table>
<thead>
<tr>
<th>Descriptive criteria</th>
<th>Analytic criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Quality definition Is quality clearly defined? Are quality measurements provided, which also consider the question of content?</td>
<td>6. Quality of vocational education Does the approach include elements useful for appraising the quality of vocational education?</td>
</tr>
<tr>
<td>2. Quality assurance strategy Which quality assurance strategies are presented and described in a transferable manner?</td>
<td>7. Target group definition Does the approach allow for the possibility of “appropriateness to the target group” (i.e. poorer classes, women) as well as target group satisfaction in vocational education projects to be “grasped”?</td>
</tr>
<tr>
<td>3. Responsibilities Is anything determined concerning the necessary responsibilities and their regulation?</td>
<td>8. Recording effects Does the approach allow for the possibility of recording the effects, or impact of vocational education?</td>
</tr>
<tr>
<td>4. Participants How is the involvement of participants (or those concerned) regulated?</td>
<td>9. Cultural appropriateness Is the approach “culture free” or does it affect established sensitivities or forms of perception and cooperation?</td>
</tr>
<tr>
<td>5. Tools Which available tools (checklists, algorithms, questionnaires etc) are developed and transferable?</td>
<td>10. System adaptation (state-market/co-operative) Is the approach similarly “suitable” for state-regulated vocational training as well as for its market or co-operatively regulated forms?</td>
</tr>
</tbody>
</table>

Table M-07: Search criteria for quality assurance

---

42 Lipsmeier 2003: p. 43-44
ISO certification
ISO is a quality system that has international recognition. While there are many quality systems established nationally for industries, including training, ISO transcends national bodies. In most countries ISO is more likely to be adopted by the manufacturing sector and a misconception is that ISO: 9001 is only linked to product certification.

Certification with ISO represents an affirmation that the instruments, procedure and organizational structures employed are appropriate to quality policy goals. The certificate does not certify the high quality of the product or the service offered, but simply the “capacity for quality” of the certified enterprise relative to that which is promised.43

Supplement 15: F-Skill ISO Certification Process shows an example of an ISO certification process in Nepal. In Nepal there are over 100 organizations with ISO certification but no service industries.

43 Lipsmeier: op cit n1 p. 44 (Adapted)
Supplement Items
There are two supplement completing this section of the Manual. Check it if you're interested in a more in-depth knowledge on the topic handled:
- Supplement 14: Quality Indicators for Vocational Education Systems
- Supplement 15: F-Skill ISO Certification Process

Toolkit Items
The Toolkit comprises five items for this section:
Item 29: Case Studies from Brazil, Peru, Costa Rica, Columbia, Nepal, Australia
Item 30: Organizational Health and Safety Policy
Item 31: Quality System Matrix – Australian Example
Item 32: Self Audit Checklist and Cost
Item 33: Quality Management Policy Procedures

Bibliography
Lipsmeier Antonius; Georg Walter, Idler Horst: “Dealing with Financing of Vocational Education”, GTZ 2003

Websites
www.ilo.org International Labour Organization
www.iso.org International Organization for Standardisation
www.iso-guide.com
www.qualitymanagementsurvival.com
6. Return on Training Investment (ROTI)

“Training refers to all forms of skills formation activity relevant to the operation of the enterprise. It may include formal and informal and on-site and off-site training and education.”

<table>
<thead>
<tr>
<th>Box M-19</th>
<th>The Australian Bureau of Statistics Definition of Training:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>All training activities which have a structured plan and format designed to develop employment related skills and competencies. Activities may consist of periods of instruction and monitored work. This instruction may take the form of workshops, lectures, tutorials, training seminars, audio-visual presentations, demonstration sessions and/or monitored self-paced training packages.</td>
</tr>
</tbody>
</table>

Box M-19: The Australian Bureau of Statistics definition of training

Research into training returns indicates that training is important for individuals, enterprises and governments and has widespread benefits, both economic and social. Investing in training can contribute to quality and innovation, allowing enterprises and economies to remain competitive. It is important to assess the Return on Training Investment (ROTI) to assess the effectiveness of training investment.

The ideal result from training is where the individual and society benefit as a whole. The private benefit for the individual is an increase in income, which should lead to a better quality of life, with a flow on effect to other members of the community and the nation as a whole.

The social, intangible, non material benefits which are very difficult to measure include:

- Better health
- Less criminality
- Skilled and relatively low cost labour
- The possibility to shift towards skill intensive and value added manufacturing
- Greater access to export markets.

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44 Hayton et al (1996)
45 Phillips 2000: Vol. 71, no.1
What is ROTI?

Return on Investment (ROTI) refers to the gains derived by an individual, enterprise or government body making the investment. Also included are the benefits to communities or societies as a result of these investments. The returns or benefits which can be easily measured are those that have a direct relationship to the investment being made.

These include:
- Increased productivity
- Increased profits
- Reduced downtime from machine breakdowns
- Reduced injury rates.
- Increased staff morale
- Increased self-esteem.

These are only considered benefits after all the costs – direct and indirect are included.46

In the current economic climate there is an emphasis on innovation and competitive advantage among enterprises. Enterprises need to value the intangible and intellectual assets which include high-quality services, skilled and motivated employees and satisfied customers.

These are some of the returns that enterprises can attain through training. Practical, relevant and cost-effective approaches to analysing the returns/benefits of training investment are required.

Return on Training Investment (ROTI) is linked to cost effectiveness of service delivery and gives VET managers and administrators an indication of their returns on a particular activity. ROTI gives governments the ability to compare the VET investment with other government services.

ROTI provides managers with qualitative and quantitative evidence of the contribution of training to operational and strategic priorities of the enterprise. It measures more than simply the impact on profit and productivity. This information is becoming increasingly important as VET managers aim to make the most efficient use of available resources. Training organizations have been carrying out ROTI for over 20 years, mostly in developed countries by academic researchers.

Governments with a limited amount of funding for VET want to maximize their investment. Information on ROTI will assist them in prioritising their funding in relation to national strategy. For example, entry level training (which is generally low cost) may be a priority in a situation where the training market is not providing the service, to improve national productivity.

Government policy may also have an impact. Social returns may be more important than making a profit on training for equity; disadvantaged groups may or may not be a priority.

46 Misko 2001: p. 6
Measuring ROTI

“ROTI is a human resources term covering qualitative and quantitative approaches in evaluating the benefits, or returns, from investment in the learning and development of employees”.

Why measuring ROTI?
ROTI helps VET managers to decide if funds and time invested in training has been worthwhile. It can help justify training expenditure, especially in times of economic difficulty.

“Individuals want to know if training will provide them with a higher income in the short or long term, or opportunities for promotion. Enterprises want to know if training improves workplace performance and productivity. Also it can assist enterprises to know if the training helps them to comply with government requirements. Governments want to know if their funding of training helps them to meet national qualification and skill targets and improve economic competitiveness.”

For a calculation example of a private and a social rate of return check Supplement 16: Cost Benefit Ratios of Educational Investments.

When measuring ROTI we can assess financial investment in training with financial returns and also cost-savings in training delivery.

The Cost of Measuring Performance
It is estimated that measuring an institution’s performance is about 1-2% of total training costs.

This could include tracer studies and client satisfaction surveys. If required, this cost should be included in the course costs. If an organization has a Quality System in place eg ISO 9001:2000 the cost of measuring performance is likely to be higher than internal and external audits.

Collecting Data for ROTI
To get a complete picture of the effectiveness of training use both qualitative and quantitative data. Also, financial and non-financial indicators should be used.

Sources of evidence could include:
- Participants
- Participant’s supervisors
- Customers
- Expert opinion.

Data collection methods could include, existing data sources (including any employee surveys, personal records, and sales data), surveys, focus groups, interviews and observations of employee work performance.

Information should be collected:

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47 Moy: op cit n1 p. 4
48 Misko: op cit n1, p. 8
- Before the training
- Immediately after the training
- After 3 or 6 months.

**Measuring outcomes of ROTI**

“ROTI are maximised when training decisions complement other human resource development policies. Enterprise training programme benefits can include:

- Productivity and efficiency
- Sales and profitability
- Quality of products and services
- Customer service and satisfaction
- Occupational health and safety
- Organizational learning and development
- Organizational climate, culture and practices.”

This list is not exhaustive. It provides a range of possible training outcomes and indicators. They will assist in measuring the benefits of training for enterprises.

The effectiveness and cost effectiveness of training progress can be analysed in order to make planning and resource allocation decisions.

**Box M-20 Cost Effectiveness – The Australian Example**

- The government through the National Centre for Vocational Education Research Ltd. Conducts Tracer and Trainee Satisfaction surveys of VET graduates
- The surveys determine the most effective and cost effective training based on employment/unemployment
- Resources are allocated to training to meet industry targets and employment projections (demand driven)
- Resource allocation to training institutions also takes into account institutions outcomes and cost effectiveness.

**Box M-20: Cost effectiveness – the Australian Example**

See Toolkit Item 34: *A Taxonomy of Possible Training Outcome Indicators for ROTI Studies* for comprehensive list of possible training outcome indicators.

When measuring ROTI, returns are not only financial, which makes it difficult to link training activities with outcomes.

---

49 Moy&McDonald: op cit n2, p. 19
“Because human resources are an intangible form of capital, it is equally possible that the returns may be equally intangible in a financial sense although clearly demonstrable in other ways”\textsuperscript{50}

Also it can be difficult to measure the costs and benefits of on-the-job learning when the cost of learning is a part of everyday work and the production cost.

“Based on their research Catts et al. recommend that business indicators such as measures of productivity should be used together with indirect measures of the effect of training on staff performance, provided through approaches such as measures of customer satisfaction with service”.\textsuperscript{51}

Research also recommends approaches which identify returns to enterprises by focusing on a small number of variables of interest to enterprise. These include existing enterprise data such as employee turnover rates. Research findings indicate that training is a key feature in enterprises undergoing organizational change or adopting new work practices.

The success of organizational change can be used as a measure of ROTI, rather than looking only at expenditure and productivity outcomes. It is important to look at how training assists the achievement of enterprises strategic goals.

**Limitations and difficulties in measuring ROTI**

Although it is seen as an important measure, the difficulty associated with measuring ROTI is a disincentive for ROTI evaluation. Some of these difficulties include:

- The number of variables, and the impossibility of controlling all variables business outcomes are affected by many factors and training cannot be easily isolated as a factor
- The measurement of direct and indirect benefits can be difficult, intangibles which are more relevant for the benefits than the costs eg. better health and safety in the workplace, work satisfaction, increased status. Rates of return of different education, levels, gender or regions are not usually compared. This analysis is important to determine who is benefitting from the training
- Difficulties in isolating the benefits of training and quantifying all costs and benefits.

It is important to understand that results are an indication only and can be inaccurate due to a number of external factors. It is also sometimes difficult to collect data on increases in productivity and other intangible benefits often resulting from training that is qualitative benefits. Also, many enterprises have limited time and resources to undertake ROTI effectively.

\textsuperscript{50} Moy&McDonald: op cit n3, p. 4 (Emphasis added)
\textsuperscript{51} Moy&McDonbald: op cit n4, p. 7 (Adapted)
Rates of return of different education levels, gender or regions are not usually compared. This analysis is important to determine who is benefiting from the training.

**Evaluating ROTI**

In evaluating ROTI Davidson et al. (1997) suggest four stages of training evaluation:

- **Budget evaluation**: Budget evaluation looks at the financial return to the business for every budgeted $ invested in training. This measure looks at maximizing financial returns on investment in the training budget.

- **Skills evaluation**: Skills evaluation looks at what skills have been developed through training and to what level. This evaluation will examine improvements as a result of training including:
  - Time savings in jobs
  - Productivity improvements (quality)
  - Improved quality outputs
  - Improved personnel performance, including decreased absenteeism.

- **Project evaluation**: This looks at the benefits of the overall project, both direct and indirect benefits, financial and intangible; and assessing these returns against the project training costs.

- **Strategic evaluation**: This looks at how the training and its results are in line with the strategic goals of the organization. This evaluation looks at the improved business performance and how it is in line with the strategic vision of the organization.”

Figure M-06 outlines a four-step training evaluation process model for general use.

![Figure M-06: Four step training evaluation process](image)

**Step 1 Data collection**

This is the first step and the most important for the data to be useful, it must be as accurate as possible, and the outcomes to be achieved clearly defined. Data is needed on the following three categories:

- The measure of performance; for example achieving programme targets
- The cost of the training
- The benefits of the training.
Step 2 Pre and post training
It is useful to cost VET Services and Products before and also after they took place. An example template for costing a course is given in the Toolkit Item 35: Course Costing – Before and After.
A more comprehensive way of programme evaluation are tracer studies (see Toolkit Item 36: Tracer Studies Background). They can be used to collect data on the impact of the training for graduates. They are often conducted before and after training, i.e. Just after training, at three and six months following training. They measure:

- The direction of change in the target performance measure or behaviour
- The size of the change
- The economic significance of the change.

See Samples of Tracer study surveys in Toolkit Item 37: Sample Tracer Study.

Advantages of tracer studies:
- Low cost
- Easy to conduct
- They provide useful information for planners and financers.

They can be useful if there is a lack of employment data i.e. Employment by age, gender and sector available at the national and/or local level, to give an indication of labour market demand.

Disadvantages of tracer studies:
The influences of other factors in labour market success:
- Personal characteristics and motivation
- Educational background
- Their position in society
- Their race, religion or caste.

Due to these variables and difficulties in collecting data, results of tracer studies can be inaccurate.

Step 3 Multivariate Analysis
At this stage these variables and other factors that contribute to performance or changes in behaviour are taken into consideration.

"Reverse tracer studies can be conducted to identify which paths to skills acquisition lead to certain occupations and qualifications. VET managers can then assess the actual contribution of their training programs to the development of skilled labour most likely to be employed by industry. This knowledge can help VET managers re-
spond to industry signals reflecting skills shortages by expanding programs and selecting trainees with the previous experience and/or educational levels required for entry to occupations.52

Step 4 Calculate ROI
Benefits / costs ratio
Phillips (1997) calculated ROI using programme benefits and costs. The benefit/cost ratio (BCR) is the programme benefits divided by cost:53

\[
BCR = \frac{\text{Programme benefits}}{\text{Programme costs}}
\]

He suggests that the most appropriate formula for evaluating training investment is net programme benefits divided by cost. The ratio is usually expressed as a percentage when the fractional values are multiplied by 100:54

\[
\text{ROI} \% = \frac{\text{net programme benefits} \times 100}{\text{programme costs}}
\]

The net benefits are the programme benefits minus programme costs. The ROI value is related to the BCR by a factor of one. Consequently, a BCR of 22.45 is the same as an ROI value of 145 per cent. Applied to training, the investment part of the formula refers to capital expenditure for equipment, materials and facilities, plus initial development or production costs.

"A ROTI on a training investment of 50 percent indicates that costs were recovered and an additional 50 percent of the costs are reported as earnings. A training investment of 150 percent indicates that the costs were recovered and an additional 1.5 multiplied by the costs is captured as earnings. This approach to calculating ROTI is advocated by Phillips because the same formula and concepts are used for other business investment decisions. He advocates an ROTI minimum of 25 per cent for training initiatives”.55

52 Glasskov 2000: p. 184
54 Smith: op cit n1, p. 38
55 Smith 2001: p. 38
**Box M-21: Return on training investment examples**

**Enhancing ROTI**

An important factor identified in research into ROTI indicates that economic benefits to enterprise are maximised when management practices are integrated with employee training and empowerment programs. Research findings indicate that enterprise returns on training are greatest when:

- Training reinforces human resources policies; including incentives, promotion, recruitment policies and feedback systems
- Training aligns with corporate objectives and operating requirements, including production strategies
- Senior management is committed to training.

Training benefits can be enhanced by:

- Ensuring appropriate employees participate
- Use a range of training methods and providing learner support in the form of mentoring
- Integrating language, literacy and numeracy training
- Creating close links between on and off the job training and other skill development opportunities

---

<table>
<thead>
<tr>
<th>Benefit / cost ratio examples</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The ROTI achieved by one company for an 18-week literacy programme.</td>
<td></td>
</tr>
<tr>
<td>The programme cost $38,233 and benefits (productivity and quality improvements) were valued at $321,600.</td>
<td></td>
</tr>
<tr>
<td>The ROTI for this programme was: $321,600 - $38,233</td>
<td></td>
</tr>
<tr>
<td>$38,233</td>
<td></td>
</tr>
<tr>
<td>ROTI (%) = $321,600 - $38,233 x 100 = 741%</td>
<td></td>
</tr>
<tr>
<td>$38,233</td>
<td></td>
</tr>
<tr>
<td>For each dollar invested, the company received $7.41 in return, after programme costs had been fully recovered.</td>
<td></td>
</tr>
<tr>
<td>2. The ROTI achieved by one company for a 24-week pre-trade training programme.</td>
<td></td>
</tr>
<tr>
<td>The programme cost $45,750 and benefits (productivity and quality improvements) were valued at $358,000.</td>
<td></td>
</tr>
<tr>
<td>The ROTI for this programme was: $358,000 - $45,750</td>
<td></td>
</tr>
<tr>
<td>$45,750</td>
<td></td>
</tr>
<tr>
<td>ROTI (%) = $358,000 - $45,750 x 100 = 676%</td>
<td></td>
</tr>
<tr>
<td>$45,750</td>
<td></td>
</tr>
<tr>
<td>For each dollar invested, the company received $6.76 in return, after programme costs had been fully recovered.</td>
<td></td>
</tr>
</tbody>
</table>
- Providing a mix of on and off the job training
- Addressing specific business and employee needs
- Training programs that deliver a consistent message.

When VET managers are designing training, avoid the following factors that reduce the returns on training investment:
- Lack of employee incentive to apply learning on-the-job
- Lack of job-design and work experience opportunities
- Training which is not up-to-date or relevant
- Lack of training for managers
- Lack of supervisor involvement and management commitment to the training.

If training innovations aren’t complemented by changes in technology, work organization and human resource practices, then training may have little impact on individual and organizational performance.
Supplement Items
There is a supplement completing this section of the Manual. Check it if you’re interested in a more in-depth knowledge on the topic handled:
- Supplement 16: Cost Benefit Ratios of Educational Investments

Toolkit Items
The Toolkit comprises four items for this section:
Item 34: A Taxonomy of Possible Training Outcome Indicators for ROTI Studies.
Item 35: Course Costing – Before and After
Item 36: Tracer Studies Background
Item 37: Sample Tracer Study

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Glossary

Access and equity
A policy or set of strategies to make vocational education and training available to all members of the community, to increase participation and to improve outcomes, particularly focusing on those groups that have been traditionally under-represented, especially women, indigenous people, people with a disability, people from a foreign-speaking background, and people from rural and remote areas.

Accounting
1. Cost based ~ Accounting system which is based on the costs for an institution to develop market and deliver its services.
2. Financial ~ Reporting of the financial position and performance of an organization through financial statements issued to external users on a periodic basis.
3. Management ~ Accounting and reporting system designed to assist the management of an institution or enterprise in decision-making, planning and controlling.
4. Payment based ~ Accounting procedures which simply records payments within a given period of time.

Accredited courses
Courses which have gone through a process of recognition in line with agreed standards and leads to a formal qualification.

Admission criteria
Requirements, such as educational qualifications, knowledge, skills or experience, for entry to a particular course.

Amortisation
Amortisation has the same meaning as depreciation, however it is applied to intangible assets or those assets that do not have a physical substance.

Assessment appeals process
If a candidate is unsuccessful with an application for RPL/RCC or was unsatisfied with the way the assessment was conducted, an appeal of the assessment result may be lodged or the candidate may ask for a review of the assessment. This process should take no longer than two weeks and the candidate will be advised of the result in writing. This means that the candidate will either be reassessed as competent (appeal upheld) or may seek reassessment to verify competency (appeal dismissed). All discussions and appeal applications should be treated in the strictest confidence.

If the candidate is not satisfied with the outcome of the appeal, they may appeal to the registered training authority. This could be a state, district or federal authority.
## Assessment of competencies
A process of collecting evidence to support the decision of competency. Assessment should integrate knowledge and skills with practical applications as happens in the real world of work. A “holistic” or “integrated assessment” occurs when you assess several related competencies or aspects of a single competency at the same time. Assessment is a complex process involving a number of activities including planning, preparation, collecting and recording evidence and making judgements on whether competence has been demonstrated.

## Assessment, holistic
An approach to assessment that involves clustering a number of units of competence together that form a whole job or work function. Assessment integrates the application of technical skills, knowledge, problem solving and workplace attitudes across a range of tasks.

## Assessment, Quality assurance in
Refers to assessments carried out by an organization meeting. The definition of quality evidence: evidence must be valid, sufficient, current and authentic. The principles of assessment: valid, reliable fair and flexible.

## Assessor
Assessors are people who have been trained to determine accurately whether candidates have displayed a competency. In industry, supervisors are often assessors.

## Assets
An asset is defined as a future economic benefit controlled by the entity as a result of past transactions.
- **Current ~**
  Is anything held by a business which can be converted to cash quickly. Current assets take the form of cash or claims to cash and are used to generate a flow of income.
- **Fixed ~**
  Is anything, relatively permanent, used for producing income either directly or indirectly. They are assets for use not for sale. They are also known as new current assets.
- **Intangible ~**
  Are those assets that do not have a physical substance. Examples are goodwill and trademarks.
- **Non current ~**
  Is something that you own that has a useful or productive life of over twelve months and will provide service potential or future economic benefits to the training institution.

## Asynchronous communication
Those involved in communication do not need to be present and available at the same time. Examples include email, web forums/newsgroups/bulletin boards, audio and video recordings.
<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance sheet</td>
<td>Is a financial report which shows where an organization obtained its finance and what that finance was used for. Also known as a &quot;statement of financial position.&quot;</td>
</tr>
</tbody>
</table>
| Benchmarking                | Benchmarking is a reliable and consistent way to measure performance, productivity, quality and innovation. A Benchmark is defined as a point of reference from which quality or excellence is measured. In assessing if a candidate is competent, they are judged against established standards. Benchmarks can be used in a number of ways including:  
  • Monitor our own quality, progress and improvements over a specific period. If the "Benchmark" indicator or measure has been reached or exceeded, then persons can receive positive feedback which can be motivating and encourages continuous improvement. If 'Benchmarks’ have not been reached it can alert us to a problem which requires rectification. In this way, benchmarking helps to monitor, maintain and improve quality levels.  
  • Comparing the quality of other departments within the organization.  
  • Compare our own organization’s performance in key measures of quality and efficiency with the performance of other organizations in our industry. |
| Benefit/cost ratio (BCR)    | The BCR is the programme benefits divided by programme cost.                                                                                                                                              |
| Benefits, programme         | Are the net benefits from a training programme. These could include: increased income, productivity, profits and efficiency.                                                                                |
| Benefits, social            | Can be difficult to measure and include: better health, less crime, more cohesive community, up-skilling of the community.                                                                               |
| Booked                      | This is the recording of the accounting item within the accounting system.                                                                                                                                   |
| Business network            | A group of businesses and enterprises which form connections and alliances in order to address common issues and needs.                                                                                 |
| Candidate                   | Any person presenting for assessment. The person could be a learner undertaking training in an institutional or workplace setting or a learner/worker/apprentice wanting their skills recognised.                  |
| Capacity charges            | The fixed costs of a service department are incurred to provide service capacity rather than the services themselves. Examples include the costs of providing floor space, heat and light. In such cases, the costs to be allocated to a given department should be based on its relative share of the to- |
tal service load during peak loads, if this can be ascertained or estimated.

**Capacity index**
Capacity index is an index of the usage pattern to allocate costs across various departments.

**Cash flow**
Is the most effective tool for planning and controlling the liquidity of a business. The cash flow establishes what funds are needed, when they will be needed and how much cash will actually be available to meet those needs when they fall due.

**CBT (Computer Based Training)**
Is a generic term for various kinds of stand-alone (that is, non-networked) learning applications using computer software.

**CD-ROM (compact disk-read only memory)**
Is a disk that can store a large amount of text, audio, video and graphic information; a computer needs a special drive and software to display these materials.

**Chief executive officer**
Is the most senior executive of the RTO.

**Client**
Means student, learner, enterprise or organization that uses or purchases the services provided by a RTO.

**Code of practice**
A document which details the key principles, practices and procedures of an organization and the rules, regulations, and policies which govern these practices.

**Cold canvassing**
Refers to approaching enterprises either by phone, email or in person without a prior appointment or notification.

**Competence, Elements of**
The basic building blocks of a unit of competence, elements describe the key steps necessary to carry out a task to the required standard.

**Competencies, Key competencies**
These are general competencies that are essential for effective participation in workplace tasks. They are usually described in the evidence guide of units of competence.

**Competency**
Competency is the ability to do a particular task. They describe the skills and attributes a person must have to do a job well. Competencies can include manual skills, knowledge and attributes (quality, character or characteristic). The term used in training packages and by organizations to determine the level of skills required for a particular job/position.

**Competency, dimensions of**
The concept of competency that embraces four key dimensions: task skills, task management skills, contingency skills and job/role environment skills.
**Competency based assessment**

Competency based assessment is the process of gathering evidence and making judgments on whether competence has been achieved.

This confirms that an individual can perform to the standard expected in the workplace as defined in the relevant endorsed industry competency standards (or outcomes of accredited courses if there are no competency standards for an industry).

**Competency standards**

Competency standards are documents that define the competencies required for effective performance in the workplace in a specific industry including the essential information needed to assess a candidate. Competency standards are also referred as units of competence.

**Competency, Units of**

Units of competency are broken down into elements of competence, that is the steps that are required to do the specific job. They describe skills, knowledge, behaviours/attitudes required to perform specific tasks in the workplace and identify the evidence required to demonstrate competent performance at the task.

The profile of the unit of competency, or cluster of competencies, can be used as a starting point for discussion with a client regarding assessment and evidence requirements.

**Continuous improvement**

ISO requires an organization to focus on continually improving the effectiveness of its quality management system, to fulfil its policies and objectives. One way of doing this is for the organization to improve its processes and efficiency. Responding to the growing needs and expectations of customers and ensuring a dynamic evolution of the quality management system.

**Cost centre**

A cost centre is an organizational attribute where costs associated with a department or training unit are accumulated. Within a training centre there may be various courses run under the finance department or training department. These departments may be classified as cost centres of the training institution. The cost centre is usually the smallest unit of responsibility in a training institution.

**Costs**

- **Direct ~**
  - are those costs that can be directly traced or attributed to an activity. This is the opposite of indirect costs. eg depreciation, utility costs (eg electricity), cleaning and maintenance.

- **Indirect ~**
  - are those costs that cannot be traced directly back to a product. These costs are either individually too small to be traced or are incurred jointly for the benefit of a number of cost centres or products within an institution. Indirect Costs are sometimes referred to as overheads.
• Fixed ~ are costs that remain unchanged regardless of the level of training activity eg. rent, insurance, administration staff wages

• Prime ~ are costs that can be directly traced back to a product. Labour and material costs that are traced directly to the product are known as prime costs.

• Variable ~ are costs that vary in direct proportion to the level of activity eg. trainer staff wages, course materials. Please note that the terms variable and marginal costs are used interchangeably.

**Critical reflection skills** are action learning skills that require the learner to challenge the assumptions which govern how they normally think and act and find new ways to analyse and interpret their experiences.

**Curriculum** is the total structure of knowledge, skills and educational experiences that make up any one educational system or its component parts.

**Depreciation** Non current assets decrease in value over a period of time. The service potential of a physical asset held on a long term basis declines over time to the point where this future economic benefit is used up. This is a cost to the training institution and is represented as an expense item called depreciation. Please note that depreciation and amortisation are used interchangeably in some publications.

**Distance learning (DL)** Method of learning in which students are not required to be physically present at a specific location during the learning process. Students are formally enrolled in a school or college but receive instruction at some remote site. Its primary use is to improve educational services in rural areas where traditionally people do not have access to good quality education.

**DVD** Digital Video Disc

**Effective Life** The time frame, given normal repairs and maintenance, that an asset will provide future economic benefits to the training institution.

**eLearning (electronic learning)** Educational resources usually delivered over the internet and typically accessed using a web-browser (software) and a web-monitoring device (computer, or bluetooth enabled communication device connected to the internet). eLearning resources can also be published on CD-ROM for access by computers not connected to the internet, however asynchronous events are not possible.
| **Electronic mail (e-Mail)** | Is the exchange of information from one computer to another using software that is designed to store and forward messages received or sent.  
Fibre optic cable is a technology that transfers voice, video and data by sending digital pulses of light through hair-thin strands of flexible glass. |
<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td><strong>Elements</strong></td>
<td>Elements are the building blocks of a unit of competency and are the steps required to achieve the unit of competency for the specific theme.</td>
</tr>
<tr>
<td><strong>Evidence guide</strong></td>
<td>Part of a unit of competence which specifies the critical aspects of evidence and the underpinning knowledge and skills which must be demonstrated in the performance of work tasks to the required standard. The evidence guide relates directly to the performance criteria and range of variables defined in the unit of competence.</td>
</tr>
<tr>
<td><strong>Fee based institution</strong></td>
<td>This is an institution that charges the students a fee for attending the training institution. This is in contrast to an institution that is run by the government and no fees are charged for attending.</td>
</tr>
<tr>
<td><strong>Forms</strong></td>
<td>A form is an instrument used by the organization to document information as proscribed by a procedure. e.g. internal compliance audit form.</td>
</tr>
<tr>
<td><strong>Goodwill</strong></td>
<td>Goodwill is the future benefit to a training institution from unidentifiable assets. The accepted accounting practice is that goodwill cannot be internally generated and is generated on the purchase or sale of an institution.</td>
</tr>
<tr>
<td><strong>Hyperlink</strong></td>
<td>A function applied to digital object (text/image) that allows readers to jump from one section of a document to another by clicking on the linked object. It is a learning, information and business tool.</td>
</tr>
<tr>
<td><strong>Industry skills councils</strong></td>
<td>Industry advisory bodies who work directly with industry enterprises and training providers to assist and advise with the development of training programs and the development of training packages.</td>
</tr>
<tr>
<td><strong>Internal audit</strong></td>
<td>This refers to audits conducted by, or on behalf of, the RTO for internal monitoring purposes.</td>
</tr>
<tr>
<td><strong>ISO</strong></td>
<td>The words ISO represent the International Organization for Standardisation. ISO is the worldwide federation of national standards bodies for more than 150 countries. There is one member per country, with the central secretariat in Geneva, Switzerland, ISO co-ordinates the network among it’s member countries.</td>
</tr>
<tr>
<td><strong>ISO 9000 standards</strong></td>
<td>The International Standard Organization (ISO). ISO 9000 standards provide a process of certification, which assures the possessing institution the recognition of them develop-</td>
</tr>
</tbody>
</table>
ing their processes from a managerial perspective of total quality. The standards of quality describe the characteristics of processes; the competence standards, and the characteristics of the desired results (performance criteria).

**ISP- internet service provider**

Learning contracts are agreements between teacher and students used to encourage active participation in training programs. They often relate to how assessment will be carried out.

**Learning modalities**

The questions why, what, how and what if indicate a motivating factor behind an individual’s desire to learn (engagement).

**Learning types**

An auditory (sound), visual, or kinaesthetic (touch) learning preference indicates the type of medium that can more successfully engage an individual.

**Mentor**

Person(s) who provides feedback and suggestions for staying on track, usually has specific expertise but is not concerned with assessing or monitoring student’s progress.

**Microwave**

Is a high-capacity transmission system that sends information on high-frequency radio signals called microwaves. Originally, microwave systems offered only analogue transmission. Today, they are commonly digital.

**Mutual recognition**

This underpins the Australian national training framework. It means that AQF qualifications Statements of Attainment issued by one RTO will be accepted and recognised by all other RTOs. It also means that RTOs can operate in another State or Territory within the scope of their original registration without having to go through a further registration process.

**Net profit**

The profit that remains after all the direct and indirect costs have been deducted.

**Non-compliance**

Refers to failure to comply with one or more of the standards for Registered Training Organizations.

**Occupational health and safety (OH&S)**

Federal and state legislation and organizational procedures and standards which govern the way in which tasks must be carried out in the workplace in order to ensure safe and healthy work practices.

**Performance criteria**

Performance criteria set the standard to which each element of competence must be carried out. Performance criteria assess the quality of performance required for the element of competence.

**Policy**

A policy is a statement that outlines how your organization complies with the quality standards. e.g. risk management policy.
<table>
<thead>
<tr>
<th><strong>Procedure</strong></th>
<th>A procedure describes the step-by-step process for completing a task prescribed by a particular policy eg enrolment procedures.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Profit and loss</strong></td>
<td>This statement shows the profit made in a given period. It is always prepared at the end of a financial year, but well run organizations would prepare it more often, say monthly or quarterly. It takes the total income or earnings of the organization and deducts from that figure all costs and expenses incurred in earning that income. Also known as an &quot;income and expenditure statement&quot;.</td>
</tr>
<tr>
<td><strong>Profit centre</strong></td>
<td>Similar concept to a cost centre, however rather than accumulating costs it is expected that the department will run at a profit. Frequently an organization splits its organizational or accountability functions into cost and profit centres to further reinforce to the managers of these departments the purpose of these organizational units.</td>
</tr>
<tr>
<td><strong>Range of variables</strong></td>
<td>The part of a unit of competence that establishes the range of contexts and conditions in which the performance of a task may be carried out. The range statements help the assessor identify the specific industry or workplace application of the unit of competence.</td>
</tr>
</tbody>
</table>
| **Rate of return** | - Private: The private rate of return on educational investment is measured on the basis of the earning difference before and after training. This can be calculated by including the private cost (fees etc) and income foregone during the length of the training. Private rates of return are calculated after tax.  
- Social: Social rate of return is estimated by using the same earning differences but calculated before tax. These cost elements are considered: income foregone plus direct training cost borne by the trainee plus public training expenditure per student per year. |
| **RDL - Rural distance learning** | Satellites orbit in space and receive radio signals from stations on earth and re-transmit them to earth stations at distant locations.  
Self-directed learning is a training method which encourages the student to take responsibility for how they will learn, the establishment of learning goals and the time taken for completing tasks. |
<p>| <strong>Reasonable adjustment</strong> | Adjustments made to assessment processes, methods and tools that meet the special needs of assessment candidates without compromising the validity and reliability of assessment decisions made against specific units of competence. |
| <strong>Re-assessment and appeals</strong> | A process overseen by the RTO whereby a candidate has the right to dispute the outcome of an assessment that they consider to be unfair or invalid. |
| <strong>Recognition</strong> | Recognition is a process that must take place over a period of time and under different conditions and circumstances. It is not a one-off event like a test. It involves the collection of a number of pieces of evidence from varied sources, that added together, address all the requirements of the competency. |
| <strong>Recognition of prior learning (RPL)</strong> | Means recognition of competencies currently held, regardless of how, when or where the learning occurred. Also referred to as Recognition of current competency (RCC) |
| <strong>Registered Training organization (RTO)</strong> | This is a training organization which has met the AQTF standards and been registered by their state or territory registration body to deliver and assess VET training programs including specific training packages attached to their scope of registration. RTO’s can be registered to provide both training and assessment or assessment only services. |
| <strong>Resumes</strong> | A Resume is a written document which states the following: |
| | • Name, address and contact details |
| | • Educational history |
| | • Qualifications attained: degrees, certificates, statement of attainment, tickets/licences |
| | • List of skills |
| | • Personal interests |
| | • Voluntary work |
| | • Work history: chronicle order, most current first |
| | • Referees: including name, title and contact details. |
| <strong>Return on investment (ROI)</strong> | Refers to the gains derived by an individual, enterprise or government. Also included are the benefits to communities or society as a result of these investments. |
| | Return on Training Investment (ROTI) |
| | ROTI is linked to cost effectiveness of service delivery and gives VET managers and administrators an indication of their returns on a particular activity. |
| <strong>Return on training investment (ROTI)</strong> | ROTI is linked to cost effectiveness of service delivery and gives VET managers and administrators an indication of their returns on a particular activity. |
| <strong>Reverse tracer study</strong> | Aim to identify which paths to skills acquisition lead to certain occupations and qualifications. Surveys would look at prior schooling, training, and work experience. This can illustrate the paths for entry into each occupation. VET managers can then assess the actual contribution of their training programs to the development of skilled labour. |</p>
<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk management</td>
<td>Risk management means the systematic application of management policies, procedures and practices to the tasks of identifying, analysing, evaluating, treating and monitoring risk in relation to compliance with quality standards.</td>
</tr>
<tr>
<td>Rules of evidence</td>
<td>Quality evidence must meet the four rules of evidence. This means that the evidence must be current, valid, authentic, and sufficient to enable an assessor to make an assessment judgement.</td>
</tr>
<tr>
<td>Skills audit</td>
<td>An identification of the skills required and held by the workforce.</td>
</tr>
<tr>
<td>Statement of attainment</td>
<td>The formal certification issued by an RTO in recognition that a person has achieved some of the competencies identified for a particular qualification. The document lists successfully achieved/completed unit of competency as part of a qualification.</td>
</tr>
<tr>
<td>Student handbook</td>
<td>A source of useful information for students that includes sections on: local environment, accommodation, public transport, medical services, educational services, literacy and numeracy assistance, local government services, welfare agencies, client support and welfare etc.</td>
</tr>
<tr>
<td>Synchronous communication</td>
<td>Those involved in communication are present at the same time. Examples include web-based chat rooms, instant messaging, teleconferencing and video-conferencing.</td>
</tr>
<tr>
<td>Telecentres (multimedia centre, public calling centre, community access centre)</td>
<td>Is a public location where people can access a range of communication tools and technology. Telecommunications is the transmission or reception of signs, signals, images, sound or intelligence of any kind over wires, by radio waves or by another technical system.</td>
</tr>
<tr>
<td>Tracer study</td>
<td>A study to gather information on the labour market performance of VET graduates. They usually take the form of surveys sent to graduates at successive times eg three and six months after the completion of their studies. They can measure: income, hours worked, on-the-job training, further education, training satisfaction, training contribution to employment. These results can then be compared with district or national averages.</td>
</tr>
<tr>
<td>Trainer</td>
<td>Person(s) responsible for setting learning outcomes and assessment criteria, will be monitoring and assessing the student’s progress.</td>
</tr>
<tr>
<td>Training needs</td>
<td>A formal process of identifying the training needs and skills gaps analysis within an organization.</td>
</tr>
</tbody>
</table>

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<table>
<thead>
<tr>
<th>Training packages</th>
<th>These embrace a set of nationally endorsed standards and qualifications for recognising and assessing people’s skills in an industry area i.e. business services, health, sport and recreation. They include endorsed components (national competency standards, assessment guidelines and qualifications) and non-endorsed components (learning strategies, assessment resources and professional development materials). A training package describes the skills and knowledge needed to perform effectively in the workplace. It does not describe how an individual should be trained. Teachers and trainers develop learning strategies – the how – depending on learners needs, abilities and circumstances.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training profile</td>
<td>A description of the training needs and the planning. required to address those needs within an organization.</td>
</tr>
<tr>
<td>Tutor</td>
<td>Person(s) with subject matter expertise engaged to instruct on specific learning outcomes.</td>
</tr>
<tr>
<td>Usage pattern</td>
<td>All assets by definition have a future economic benefit for the training institution. The way these assets benefits are used up over time represents the usage pattern of that asset.</td>
</tr>
<tr>
<td>Video conferences</td>
<td>Technological arrangements in which television monitors, cameras and microphones are linked so that people in three or more sites can all see, hear and speak to one another.</td>
</tr>
<tr>
<td>Vocational edu-</td>
<td>The Vocational Education and Training sector caters for people who need vocational skills for work and life. VET is education and training for work. Vocational skills include technical knowledge and skills that can be applied to specific work tasks, roles and processes, as well as broad generic skills such as the ability to solve problems and work effectively with others.</td>
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</tr>
<tr>
<td>World wide web</td>
<td>Is a communication protocol of the Internet that deals with text, audio, video, animation, graphics and colour or anything else that a computer programme can produce.</td>
</tr>
<tr>
<td>Written down value</td>
<td>The written down value of the asset is the value of the remaining future economic benefit of that asset. It is the cost of the asset that is booked on the balance sheet less the accumulated depreciation. The net position is the written down value.</td>
</tr>
</tbody>
</table>
Costing and Pricing of VET Products and Services

Part 2: Supplement
On behalf of SDC/Employment and Income Division:

The Swiss Agency for Development and Co-operation Employment and Income Division Freiburgstrasse 130, CH 3003 Berne, Switzerland.

www.sdc.admin © SDC

The Introduction, VET Manual, Supplement and Toolkit can be accessed via http://www.sdc.admin.ch/ei

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Introduction

Supplement 1:
Influencing Factors on VET Delivery

A. National Policy

Has a major influence on the delivery of VET services at the national, state, district and local levels.

National policy can be changed to meet economic and social conditions, with very few VET systems remaining static over time.

The priority of VET systems is to respond to skills shortages ie. when workers do not possess the level of skills which would enable them to perform with maximum productivity.

Change occurs when developing economies become transitional with an expanding training market, decentralisation of VET delivery and an increase in training planning and delivery by social partners.

All decisions at the national level will have an effect on VET training delivery with financial implications.

These include:

- The systems mission (what is vocational education and training for)
- Citizens rights to public VET services
- Governments and social partners responsibility for VET
- Distribution of public training services (eligibility)
- National priorities for training provision (including target groups) and system development
- Education and training awareness and teaching principles
- Skills standards and vocational qualifications
- National curriculum for training institutions and vocational curriculum for general education
- Skills assessment for certification
- National textbooks. 1

1 Gasskov 2000: p. 15
B. The Training Market: Demand and Supply

The aim of VET systems is training for work, however with the exception of a small number of countries most VET systems are student demand driven. This more often than not results in an oversupply of graduates in the more popular industry sectors with only a small number gaining employment.

Box S-01  A summary of influencing factors and hindrances from VET survey respondents

- Government finance is not reliable (KOSOVA)
- Government finance and student fees don’t cover costs (KOSOVA)
- Students have difficulty paying fees (NEPAL)
- Difficulty getting fee subsidies from government and donors for “disadvantaged” students (NEPAL)
- Supply driven training, difficult for graduates to get jobs (ECUADOR)
- Low literacy levels of students (NEPAL)
- No national skills standards or established standards cannot be enforced (NEPAL)
- No market price standard or length of courses (NEPAL)
- Uncertainty over who pays curriculum development costs (AUSTRALIA)
- Lack of understanding at all levels of quality systems and control (NEPAL)
- Fluctuations in indirect costs eg. fuel, materials (NEPAL)
- Lack of accounting skills, difficulty in costing accurately (NEPAL)
- Higher costs for rural training, rural people have difficulty in accessing urban training institutions (NEPAL)
- Lack of employer confidence in skills acquired at training institutions (NEPAL)
- Globalisation – companies shifting production to low cost labour countries affecting employment (NEPAL)
- Conflict/civil unrest (NEPAL)
- Fees do not cover the cost of training, the majority of students from rural areas cannot afford fees (SOUTH AFRICA)
- Difficulty in calculating course profits when it is uncertain how many students will actually commence and complete courses (AUSTRALIA)
- Lack of space and room for expansion for city Vocational Training Centres (VIETNAM)
- Increasing competition from other Vocational Training Centres and the private sector (VIETNAM)
- Low pay for instructors makes it difficult to recruit qualified teachers (ECUADOR)
- Distrust by companies of VET qualifications issued to trainees. (ECUADOR)

Box S-01: A summary of factors and hindrances from VET survey respondents

Australia is an example of an industry demand driven model of vocational training.

Box S-02 VET demand driven – The Australian model

The Australian National Training Authority (ANTA) is responsible for the development of the Australian VET system: achieving national objectives, policies, priorities, an efficient network of providers, both public and private and target groups.

VET is market demand driven, with specific outcomes and outputs (targets) attached to funding. Each state and territory submits annual plans for priorities and training hours per sector. Their previous years performance is taken into account in the allocation of funding. Labour market information, industry and employment trends are gathered through a variety of sources and incorporated into training plans:

- Australian bureau of statistics
- Industry training advisory boards (ITAB’s, autonomous industry bodies)
- Industry associations, Educational Research Institutions
- Federal government labour market studies

ANTA develops national strategies to cover a 6 year plan.

Annual funding is prepared in the: Directions and resource allocation reports.

The 2003 report planned for the delivery of 270 million training hours nationally in the following sectors:

- Manufacturing
- Rural and construction
- Services
- Business
- General education and training

Funding for training hours was increased from 2002 levels for business (computing) services and general education, a decline in rural and construction in line with a decline in employment. The 2003 Innovation Strategy included: support for economic development for rural communities and meeting engineering skills needs.

Recent changes include: greater flexibility in traditional trade training, trialing shorter apprenticeships to meet the changing needs of employers and more mature, better qualified young people entering training.

In 2004 there were 417,000 new apprentices in training (217,600 aged 15 to 24, 147,600 aged 25 to 44 and 51,800 aged 45 and over).

More than 88% of new apprentices are in work 6 months after completing, compared to 79% of university graduates.

The data shows strong growth in skills shortage areas i.e. construction, electro-technology and engineering.

Source: Australian Federal Department of Employment July 2004

Box S-02: VET demand driven - Australia
Supplement 2: 
**Generic Skills**

**Definition**
Internationally generic skills are known by a number of terms they include:
- Key competencies
- Key skills
- Basic skills
- Core skills
- Essential Skills
- Workplace Know-how.

Generic skills are often referred to as “employability skills” in VET.

“There has been broad agreement that all young people need a set of personal attributes and skills that will prepare them for both employment and further learning. The ongoing employability of individuals is dependent on them having a set of relevant skills, as well as a capacity to learn how to learn new things.”

---

**Box S-03: Common elements of generic skills**

- Basic/fundamental skills: such as literacy, using numbers, using technology
- People-related skills: such as communication, interpersonal, team work, customer service skills
- Conceptual/thinking skills: such as collecting and organising information, problem-solving, planning and organising, learning-to-learn skills, thinking innovatively and creatively, systems thinking
- Personal skills and attributes: such as being responsible, resourceful, flexible, able to manage one’s own time, having self-esteem
- Business skills: such as innovation skills, enterprise skills
- Community skills: such as civic or citizenship knowledge and skills.

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**Box S-03: Common elements of generic skills**

Generic skills can be further defined as:

Essential to preparation for employment: Be generic to the kinds of work and work organizations emerging in the range of occupations or be industry specific equip individuals to participate effectively in a wide range of work settings, industry

Workplace and adult life-involves the application of knowledge and skill: Be able to be learned-language and communication, mathematics, scientific, technical and cultural Understanding, problem solving, personal and entrepreneurial skills: Be amenable to credible assessment.

In many countries these skills are now incorporated into VET training.

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3 Australian Chamber of Commerce and Industry, Business Council of Australia 2002, p. 1
5 Australian Chamber of Commerce and Industry: op cit n1 p. 9 (Adapted)
Personal Attributes

Personal attributes are often included in Generic Skills. These can include:

- Loyalty
- Commitment
- Honesty and integrity
- Personal presentation
- Adaptability
- Common sense
- Reliability
- Motivation
- Enthusiasm
- Positive self esteem
- Ability to deal with pressure
- Balanced attitude work/home life

Generic skill requirements vary between countries, regions and industries and need to be prioritised and delivered for each course and context.

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Can generic skills be universally applied?

Generic skills are conceived differently in various countries as well as by different groups within the country. The literacy element, being able to read and write in the language of instruction will differ. Generic skills priorities will also differ between countries, industries and jobs.

For example: People being trained as community care workers, would be expected to have good people skills: communication, teamwork, respect for clients, sensitivity to cultural diversity, disability and empathy. Engineering students are likely to place “problem solving” as a priority.

Generic skills should be transferable. They should be able to be taken to a new work place.

Generic skills profiles can be developed and prioritised by training institutions and for courses.

The Australian experience

In Australia a canon of generic competencies was introduced in the 1990’s called the Mayer Key Competencies. They are listed and described within Table S-01:

<table>
<thead>
<tr>
<th>Key competencies</th>
<th>Descriptors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collecting, analysing and organising</td>
<td>The capacity to locate information, sift and sort the information in order to select what is required and present it in a useful way, and evaluate both the information itself and the sources and methods used to obtain it.</td>
</tr>
<tr>
<td>Communicating ideas information</td>
<td>The capacity to communicate effectively with others using a whole range of spoken, written, graphic and other non-verbal means of expression</td>
</tr>
<tr>
<td>Planning and organising activities</td>
<td>The capacity to plan and organize one’s own work activities, including making good use of time and resources, sorting out priorities and monitoring performance.</td>
</tr>
<tr>
<td>Working with others</td>
<td>The capacity to interact effectively with other people both on a one-to-one basis and in groups, including understanding and responding to the needs of others and working effectively as a member of a team to achieve a shared goal.</td>
</tr>
<tr>
<td>Using mathematical ideas and techniques</td>
<td>Capacity to use mathematical ideas, such as a number and space, and techniques, such as estimation and approximation, for practical purposes.</td>
</tr>
<tr>
<td>Solving problems</td>
<td>The capacity to apply problem-solving strategies in purposeful ways, both in situations where the problem and the desired solution are clearly evident and in situations requiring critical thinking and a creative approach to achieve an outcome.</td>
</tr>
<tr>
<td>Using technology</td>
<td>The capacity to apply technology, combining the physical and sensory skills needed to operate equipment with the understanding of scientific and technological principals needed to explore and adapt systems.</td>
</tr>
</tbody>
</table>

Table S-01: Mayer Key Competencies

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7 Australian Education Council 1992: p. 8-9
Recent developments in Australia, UK, USA and Canada have included personal attributes absent in Mayer.

The following Table S-02 compares employability skills with Mayer key competencies:

<table>
<thead>
<tr>
<th>Employability skills</th>
<th>Key competencies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communication skills</td>
<td>that contribute to productive between employees and customers</td>
</tr>
<tr>
<td></td>
<td>Communicating ideas and harmonious relations and information</td>
</tr>
<tr>
<td></td>
<td>Using mathematical ideas and techniques</td>
</tr>
<tr>
<td>Team work skills</td>
<td>that contribute to productive working relationships outcomes</td>
</tr>
<tr>
<td></td>
<td>Working with others and in teams</td>
</tr>
<tr>
<td>Problem-solving skills</td>
<td>that contribute to productive outcomes</td>
</tr>
<tr>
<td></td>
<td>Solving problems</td>
</tr>
<tr>
<td>Initiative and enterprise skills</td>
<td>that contribute to innovative outcomes</td>
</tr>
<tr>
<td>Planning and organising skills</td>
<td>that contribute to long-term and short-term strategic planning</td>
</tr>
<tr>
<td></td>
<td>Planning and organising activities</td>
</tr>
<tr>
<td></td>
<td>Collecting, analysing and organising information</td>
</tr>
<tr>
<td>Self-management skills</td>
<td>that contribute to employee satisfaction and growth</td>
</tr>
<tr>
<td>Learning skills</td>
<td>that contribute to ongoing improvement and expansion in employee and company operations and outcomes</td>
</tr>
<tr>
<td>Technology skills</td>
<td>that contribute to effective execution of tasks</td>
</tr>
<tr>
<td></td>
<td>Using technology</td>
</tr>
</tbody>
</table>

Table S-02: Summary of ACCI-BCA employability skills compared with Mayer Key Competencies

Personal attributes

- Loyalty
- Commitment
- Honesty and integrity
- Enthusiasm
- Reliability
- Balanced attitude to work and home life
- Motivation
- Personal presentation
- Commonsense
- Positive self-esteem
- Sense of humour
- Ability to deal with pressure
- Adaptability.

Note: ACCI = Australian Chamber of Commerce and Industry
BCA = Business Council of Australia

8 Gibb: op cit n1, p. 74.
The Mayer Key Competencies are incorporated into all training packages. They are identifiable as competencies and skills, which underpin the competency standards.

For example:
- working in teams
- following occupational health and safety
- planning daily work
- grooming and work ethic
- communication in the workplace
- customer service
- professional behaviour
- developing and updating industry knowledge.\(^9\)

They are included as discrete units of competency, as elements of competency and performance criteria.

The experience is that it is more effective to “embed” these within the total training package, as they can demonstrate real work situations, rather than as separate units.

The Australian National Training Authority has developed a comprehensive set of guidelines to ensure key competencies are more explicitly incorporated into training packages.

**International developments**

“Throughout Europe both government and industry leaders support the concept of generic employability skills. Each country has different approaches to assessment and documenting. There is ongoing debate as to what should be included, particularly with respect to information and communication technology skills, assessment and the link to lifelong learning”.

Table S-03 comprises a synopsis of generic employability skills for four countries in Australia, Europe and North America.

**When are generic skills taught?**

Generic skills are not usually taught in general secondary schools. The exception is where VET is taught in the senior years at secondary schools eg Australia.

VET institutions can play an important role in improving their trainees employability through teaching generic skills. Some academics think they cannot be taught rather they are learned and developed. Generic skills are acquired over a lifetime and infer lifetime learning, to progress in work. Adults may benefit from generic skills development.

\(^9\) Gibb: op cit n1, p. 11
Example:
- Retrenched workers, labour market training programs
- Mature trainees need to recognise and articulate their generic skills and reapply them in a new context
- Refine and adopt their generic skills to respond to the employment market.

<table>
<thead>
<tr>
<th>Australian key competencies (Mayer Key Competencies)</th>
<th>United Kingdom (NCVQ) core skills</th>
<th>Canada employability skills profile</th>
<th>United States (SCANS) workplace know-how</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collecting, analysing and organising information</td>
<td>Communication</td>
<td>Thinking skills</td>
<td>Information Foundation skills; basic skills</td>
</tr>
<tr>
<td>Communicating ideas and information</td>
<td>Communication Personal skills; improving own performance and learning</td>
<td>Communication skills</td>
<td>Information Foundation skills; basic skills</td>
</tr>
<tr>
<td>Planning and organising activities</td>
<td>Personal skills; improving own performance and learning</td>
<td>Responsibility skills Thinking skills</td>
<td>Resources Foundation skills; personal qualities</td>
</tr>
<tr>
<td>Working with others and in teams</td>
<td>Personal skills; working with others</td>
<td>Positive attitudes and behaviour Work with others Adaptability</td>
<td>Interpersonal skills</td>
</tr>
<tr>
<td>Using mathematical ideas and techniques</td>
<td>Numeracy; application of number</td>
<td>Understand and solve problems using mathematics</td>
<td>Foundation skills; basic skills</td>
</tr>
<tr>
<td>Solving problems</td>
<td>Problem solving</td>
<td>Problem-solving and decision-making skills Learning skills</td>
<td>Foundation skills; thinking</td>
</tr>
<tr>
<td>Using technology</td>
<td>Information technology</td>
<td>Use technology Communication skills</td>
<td>Technology Systems</td>
</tr>
<tr>
<td>Post-Mayer additions; Cultural understandings</td>
<td>Modern foreign language</td>
<td>Manage information Use numbers Work safely Participate in projects and tasks</td>
<td></td>
</tr>
</tbody>
</table>

Source: Adapted from Werner, 1995

**Table S-03: Comparative table of generic employability skills by country**
What do employers in internationally think of generic skills?

Generally employers have made the following comments (Australian example):

- Employers consider that generic skills are as important as job-specific or technical skills
- Employers seek those generic skills that are most important to their business and will choose workers who are strong in this area
- Employers have identified the importance of personal attributes contributing to employability and indicate that these are required as a component of employability skills
- Employers prefer to teach technical skills, they are not comfortable teaching generic skills
- Employers include generic skills as a key feature of job descriptions and the recruitment process
- Employers expect new starters to be adaptable, quick to learn, innovative and be able to deal with change, be flexible
- Employers support the integration of generic and technical skills development, because they feel it is closer to the real experience of the workplace.

Human resources development Canada initiated the essential skills research project in 1994. They found that generic skills were described as enabling the learning of other more job-specific skills.10

"From this evidence it would appear that (VET) training programs which emphasise these skills offer their trainees a competitive advantage in the labour market."11

How are generic skills incorporated into training packages?

Generic skills need to be incorporated into training packages in a way, which makes it easy for practitioners to interpret and provide a range of strategies to teach them. "Developers of training packages need guidelines, which describe which skills are important and how generic skills can be built into training packages."12

Strategies must be appropriate to the context, industry and level of the individual. Teachers need to devise appropriate learning strategies and assessments. For example learning strategies for aged care could include:

One on one small group training
- Workshops
- A co-worker system
- Self directed learning
- Case conferences
- Role plays
- Work books to use on the job
- Experiential learning.

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10 Gibb: op cit n3 p. 28 (Adapted)
11 Gibb: op cit n4 p. 16 (Emphasis added)
12 Gibb: op cit n5 p. 67
How are generic skills assessed?
Assessment should include:
- Well informed professional judgment by assessors and assessor teams.
- Learners contributing to the assessment process by gathering evidence of their performance, presenting this in a portfolio.
- Generic skills should be tested in ‘whole-work’ tasks, not in isolation.\(^{13}\)

Assessment methods:
- Holistic judgment: This is sometimes difficult in VET institutions as trainers only spend a relatively small time with students and may not know them well.
- Student portfolios: In Canada and the USA this is the most common approach to illustrate individual achievement. Students become aware of their developing skills. Portfolios contain examples of evidence from activities undertaken during training and through community activities, including sporting, that correspond with generic skills.
- Work experience: This is most useful for a simple report, though difficult to standardise.
- Purpose developed instruments: These are standardised and provide a basis for reporting that is readily interpreted.\(^{14}\)

An integrated approach is preferred using a combination of assessments.

<table>
<thead>
<tr>
<th>Assessment model</th>
<th>Strengths</th>
<th>Limitations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Holistic judgments</td>
<td>Authentic, provided relevant situations are chosen for observation multiple performance levels appear to be discernible</td>
<td>Reliable within context, eg. in an institution, where several raters may be used, but lacks comparability across sites</td>
</tr>
<tr>
<td>Portfolio assessment</td>
<td>Provides a rich data source Compiling portfolio may be valuable learning experience for the learner</td>
<td>Summative, rather than formative-limited learning potential Influenced by other factors eg written fluency of author, which may limit content validity Lack of comparability among individuals (low reliability) Time-consuming to extract information from portfolio</td>
</tr>
<tr>
<td>Workplace assessment</td>
<td>High validity High learning potential if judgments are accompanied by informative feedback</td>
<td>Low reliability: influenced by training of assessors and by opportunities presented by the work context</td>
</tr>
<tr>
<td>Standardised instrumental assessment</td>
<td>Efficient High reliability Produces a score comparable across individuals and occasions Known precision, can lead to identification of number of discernible performance levels</td>
<td>Limited authenticity Summative rather than formative -limited learning potential</td>
</tr>
</tbody>
</table>

Table S-04: Summary of generic skills assessment models\(^{15}\)

\(^{13}\) Gibb: op cit n\textit{6} p. 15 (Adapted)
\(^{14}\) Gibb: op cit n\textit{7} p. 35 (Adapted)
**Personal attributes**
- Personal contact including:
  - informal face-to-face contact
  - formal interviews, often more than one
  - initial telephone contact
  - Work experience reports
  - School and training reports showing competencies and achievements
  - References from previous employers and others in the Community

**Communication and teamwork**
- Evidence of involvement in community activities and other extracurricular activities
- Samples of school projects/work
- References from school advisors and employers
- Testimonials from community members
- Interview performance

**Problem-solving initiative and enterprise**
- Previous work history
- Qualifications and course attended
- Hobbies, experiences, education
- A trial in the company (work experience)

**Planning and organizing**
- Social activities
- References
- Previous work history

**Self-management, learning and technology**
- Professional development history/plan
- Goals and dreams for the future
- General interests

Source: Australian Chamber of Commerce and Industry & Business Council of Australia (2002, p. 54)

**Table S-05: Strategies used to judge employee’s skill level in specific areas**

“Facilitators don’t “assess” but rather “validate” evidence presented against the clearly stated criteria.”

Learners are motivated to acquire generic skills if they are formally recognised.

“Assessment continues to be one of the most difficult issues surrounding generic skills implementation”, particularly assessing interpersonal skills, although instruments do exist.”

In competency based training trainees are assessed against a single benchmark of performance, achieved or not.

Generic skills cover a diversity of industries and occupations, simple benchmarks are likely to be insufficient. Assessment of generic skills is more effective with corresponding technical competencies.

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15 Gibb: op cit n8, p. 147
16 Gibb: op cit n9, p. 54
17 Gibb: op cit n10, p. 177
18 Gibb: op cit n11, p. 35
Figure S-02: Spectrum of Skills

19 Gibb: op cit n12, p. 85
<table>
<thead>
<tr>
<th>Skill</th>
<th>Element</th>
</tr>
</thead>
</table>
| **Communication that contributes to productive and harmonious relations between employees and customers** | • Listening and understanding  
• Speaking clearly and directly  
• Writing to suit the needs of the audience  
• Negotiation responsively  
• Reading independently  
• Empathising  
• Understanding the needs of internal/external customers  
• Using numeracy effectively  
• Persuading effectively  
• Establishing and using networks  
• Being assertive  
• Sharing information  
• Speaking and writing in languages other than English. |
| **Teamwork that contributes to productive working relationships and outcomes** | • Working with people of different ages, gender, race, religion or political persuasion  
• Working as an individual and as a member of a team  
• Knowing how to define a role as part of a team  
• Applying teamwork skills to a range of situations eg. future planning, crisis problem-solving  
• Identifying the strengths of team members  
• Coaching, mentoring and giving feedback. |
| **Problem solving that contributes to productive outcomes** | • Developing creative, innovative solutions  
• Developing practical solutions  
• Showing independence and initiative in identifying problems and solving them  
• Solving problems in teams  
• Applying a range of strategies to problem-solving  
• Using mathematics, including budgeting and financial management to solve problems  
• Applying problem-solving strategies across a range of areas  
• Testing assumptions taking the context of data and circumstances into account  
• Resolving customer concerns in relation to complex project issues. |
| **Initiative and enterprise that contribute to innovative outcomes** | • Adapting to new situations  
• Developing a strategic, creative, long-term vision  
• Being creative  
• Identifying opportunities not obvious to others  
• Translating ideas into action  
• Generating a range of options  
• Initiating innovative solutions. |
<table>
<thead>
<tr>
<th>Skill</th>
<th>Element</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planning and organising that contribute to</td>
<td>• Managing time and priorities – setting timelines, coordinating tasks for self and with others</td>
</tr>
<tr>
<td>long-term and short-term strategic planning</td>
<td>• Being resourceful</td>
</tr>
<tr>
<td></td>
<td>• Taking initiative and making decisions</td>
</tr>
<tr>
<td></td>
<td>• Adapting resource allocations to cope with contingencies</td>
</tr>
<tr>
<td></td>
<td>• Establishing clear project goals and deliverables</td>
</tr>
<tr>
<td></td>
<td>• Allocating people and other resources to tasks</td>
</tr>
<tr>
<td></td>
<td>• Planning the use of resources including time management</td>
</tr>
<tr>
<td></td>
<td>• Participating in continuous improvement and planning processes</td>
</tr>
<tr>
<td></td>
<td>• Developing a vision and proactive plan to accompany it</td>
</tr>
<tr>
<td></td>
<td>• Predicting – weighing up risk, evaluating alternatives and applying evaluation criteria</td>
</tr>
<tr>
<td></td>
<td>• Collecting, analysing and organising information</td>
</tr>
<tr>
<td></td>
<td>• Understanding basic business systems and their relationship</td>
</tr>
<tr>
<td>Self-management that contributes to employee</td>
<td>• Having a personal vision and goals</td>
</tr>
<tr>
<td>satisfaction, growth and vision</td>
<td>• Evaluating and monitoring own performance</td>
</tr>
<tr>
<td></td>
<td>• Having knowledge and confidence in own ideas and vision</td>
</tr>
<tr>
<td></td>
<td>• Articulating own ideas and vision</td>
</tr>
<tr>
<td></td>
<td>• Taking responsibility.</td>
</tr>
<tr>
<td>Learning that contributes ongoing improvement</td>
<td>• Managing own learning</td>
</tr>
<tr>
<td>and workplace expansion in employee and support,</td>
<td>• Contributing to the learning community at the</td>
</tr>
<tr>
<td>company operations and outcomes</td>
<td>• Using a range of media to learn – mentoring, peer networking, information technology (IT) courses</td>
</tr>
<tr>
<td></td>
<td>• Applying learning to ‘technical’ issues (e.g. learning about products) and people issues (e.g. interpersonal and cultural aspects of work)</td>
</tr>
<tr>
<td></td>
<td>• Having enthusiasm for ongoing learning</td>
</tr>
<tr>
<td></td>
<td>• Being willing to learn in any setting – on and off the job</td>
</tr>
<tr>
<td></td>
<td>• Being open to new ideas and techniques</td>
</tr>
<tr>
<td></td>
<td>• Being prepared to invest time and effort in learning new skills</td>
</tr>
<tr>
<td></td>
<td>• Acknowledging the need to learn in order to accommodate change.</td>
</tr>
<tr>
<td>Technology that contributes skills to effective</td>
<td>• Having a range of basic information technology skills</td>
</tr>
<tr>
<td>execution tasks</td>
<td>• Applying information technology as a management tool</td>
</tr>
<tr>
<td></td>
<td>• Using information technology to organize data</td>
</tr>
<tr>
<td></td>
<td>• Being willing to learn new information technology skills</td>
</tr>
<tr>
<td></td>
<td>• Having the occupational health and safety knowledge to apply technology</td>
</tr>
<tr>
<td></td>
<td>• Having the appropriate physical fitness and manual dexterity²⁰</td>
</tr>
</tbody>
</table>

Table S-06: Employability skills framework

²⁰ Australian Chamber of Commerce and Industry: op cit n4 p. 8-9
What are the difficulties surrounding generic skills?

“There is no real agreement as to what constitutes these skills or how to validate and recognise them in practice”\(^\text{21}\)

There is disagreement whether than can be taught or are learned or developed. Generic Skills vary between countries, regions and industries. Therefore they need to be prioritised and teaching strategies developed for each context, this makes standardised teaching materials and assessment difficult to produce. Generic skills need to be recognised as important skills -by government – developed of national policy and strategies for certification -learners – who often do not recognise them as important as technical skills -teachers – who need training in teaching generic skills -employers – who are often reluctant to teach generic skills

Difficult to assess personal attributes.

Resources are required to deliver generic skills training, both human and capital.

What are the costs associated with delivering generic skills?

Generic skills training needs dedicated resources to ensure effective delivery. These include:

- Staff development to train the trainers
- Training package/course development to incorporate generic skills
- Orientation/induction for trainees on the delivery and assessment of generic skills
- Development of a record keeping system/student information systems
- Purchase and/or development of instruments for assessment
- Facilitators to provide ongoing assistance, feedback and support
- Costs related to certification – issuing statements of attainment.

\(^{21}\) Gibb: op cit n13 p.159
Supplement 3:  
Recent Trends in VET Delivery
The changing internal and external environments that VET operates in both Developed and developing countries have implications for financial management, including costing and pricing of products and services.  
These include:

- Changing external environment from the impact of globalisation with social, cultural and economic impacts
- Skills shortages and ageing populations are global phenomena for mature economies. Increasingly international companies are locating their operations where skilled labour is located
- Policy reassessment of the role of VET in society and the provision of training resulting from change, including technological change
- The development of training markets, with increased competition from and between public and private training providers
- VET providers orientation is being transferred from education and training to business and services
- VET is increasingly becoming industry - demand driven
- Traditional forms of employment are changing, with an increase in part-time, casual and contract employment. VET training must be flexible to meet their needs
- A process of change is taking place due to the international exchange of information.

Some Innovations and Trends

The National Policy Level
VET’s role is not only to provide skills for industry but also as a key player in helping to create a tolerant, diverse and cohesive society. This includes increasing access to VET by people from disadvantaged backgrounds.

"VET’s responsibility is not just to train students for a job but also for a career. This requires skills of self evaluation, career planning and determining strategies to achieve goals."22

"The principal role of the states regulatory policy in standardising and monitoring of qualification standards is to support market mechanisms by creating and safeguarding formal institutions. Inter-company standards of competence defined above company level and based on partial, modular qualifications are increasingly gaining acceptance on the international vocational training co-operation scene."23

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22 Wheelan 2003: p. 32
23 Lipsmeier; op cit n 6. p. 4
Learner Implications
A shift from one post schooling qualification to lifetime learning, both formal and informal.
This is the result of financial markets and technological change resulting in workers needing to change jobs and occupations throughout their working lives.
Learners will need a mixture of vocational, academic and generic skills to undertake lifetime learning.
Training should be in a style and format which suits the learning needs of young and mature aged workers.
The challenge for VET providers is to, “provide a range of courses that equip students with foundation skills and learning to learn skills, courses and qualifications that meet a range of individual, community and industry needs.”24

VET Partnerships
There is an emergence of VET developing closer partnerships with stakeholders, including industry, the community and Higher Education. The latter, being important for articulation and credit transfer.
Industry is seen as an important partner in skills and curriculum development. As VET becomes more industry – demand driven, this partnership is essential.
Enterprises are becoming more involved in training. This includes on-the-job training: the delivery of VET in the workplace, through a combination of on-the-job training and block release for institutional based training.
Workplace learning is being given a privileged status over institutional in terms of relevance and authenticity.
Work Experience combined with vocational training can improve trainee’s chances of gaining employment.
"Recent studies in the USA and Europe have indicated that work experience improves participants vocational skills and work habits.”25

Industry in Australia is demanding specialisation in skills training to meet specific industry needs, for example in the agriculture and manufacturing sectors.
General secondary schools are increasingly becoming involved in VET at the senior levels. Australia has experienced a large growth in the past 10 years: “in 1999, 37% of students in year eleven and twelve participated in VET, 86% of all secondary schools offered VET.”26

24 Wheelan: op cit n 1, p. 9
25 Australian Government Department of Employment and Workplace Relations (DEWR) 2004.(Emphasis added)
26 Wheelan: op cit n 2, p. 3
The training market

The development of training markets has resulted in an increase in private training providers, where markets have been deregulated. Private training providers are often accredited and regulated by a national or state/district authority. This has resulted in a growing number of private training providers delivering national qualifications as well as competition with public institutions. The distinction between private and public institutions is becoming less clear for the community. Training markets in regional areas tend to be less developed, requiring more government intervention to develop markets and ensure training delivery. Innovations in distance learning, using a range of technologies and mobile training have proven effective. There is an increase in internet web based learning in developed countries and in some developing countries.

These changes and innovations present both problems and opportunities for VET administrators. Problems encountered in skills development, the role of industry, the relationship between general and vocational education and VET and higher education are common to many countries.

The opportunities that will be presented through the introduction of lifetime learning will consolidate the role of VET in providing training for employment and creating a better society.

Box S-04: The changing VET marketplace

An increasing proportion of VET funding being allocated through tender, with increased competition between private and public institutions

Public and private VET institutions are changing from non commercial to entrepreneurial organizations

An increase in the growth of small businesses (SME’s) presenting a challenge to VET in designing and delivering services to this sector

Trainees are approaching learning through the self assembly of smaller, short term (modules), targeted sections of learning

With the development of competitive training markets government is encouraging trainee user choice, moving some funding to the private training sector

More effective labour market research is needed to determine trainees and employees skills needs. The rapid rate of change has necessitated more effective research.

A continuing and changing demand for particular training to service declining and emerging needs in industry and the community.

Adapted from META Analysis – The Australian VET System, ANTA 2003
Quality Assurance in VET

There has been an increase in discussions of measures concerning quality assurance. Some countries have national quality systems in place with internal and external regulatory processes. Training institutions in other countries continue to pursue ISO 9001 certification to indicate their “capacity for quality”.

To accommodate the measurement of long-term social goals “education monitoring” has developed in recent times, aimed at systematically linking planning, analysis and control.

A changing operational environment for VET institutions, including technological change and reductions in public funding has resulted in staffing changes.

Recent trends:

- Flatter management structures and a reduction in full time staff
- An increase in part-time staff, casual, contract workers, assessors and trainers in general education schools and in workplaces
- An increase in women trainers, reflecting a change from male dominated manufacturing and related industries to service industries eg. information technology, tourism, community services, finance. In Australia over 50% of VET trainers are women, who want flexible arrangements and childcare
- Senior management staff need business management, change management, strategic leadership and human resource management skills
- The proportion of trainers with formal qualifications is dropping, a non degree qualification being the minimum, with a trend towards lower qualifications, an increase in importance on related, recent industry experience
- More administrative responsibilities for training staff
- Trainers required to deliver flexible learning through training packages with a shift from centrally developed curriculum to teacher developed learning strategies
- The responsibility for trainer training shifting to the employee, generally VET trainers fund their own training.
## Supplements to Manual Section II: Financing VET Services and Products

### Supplement 4: Synopsis of Funding Schemes and Funding Sources for VET

<table>
<thead>
<tr>
<th>Type</th>
<th>Schemes or forms</th>
<th>Management</th>
<th>Common Objectives</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct payments to government institutes</td>
<td>Through MoF and line ministries</td>
<td>Improved productivity, employment promotion, equal opportunities and social equity</td>
<td>Used almost anywhere in formal VET systems</td>
<td></td>
</tr>
<tr>
<td>Subsidies to private VET institutes or corporations</td>
<td>Line ministries, local governments, municipalities</td>
<td>Strengthening of market forces, creating competition for public providers, diversifying VET</td>
<td>Subsidies are given in most developed countries</td>
<td></td>
</tr>
<tr>
<td>Tax reductions or rebates (as tax deduction or tax credit)</td>
<td>Tax administration/ MoF</td>
<td>Incentives for employers to engage in VET</td>
<td>A very weak incentive where tax coverage is weak</td>
<td></td>
</tr>
<tr>
<td>Provision of loans</td>
<td>Line ministries, local governments, self administration of students</td>
<td>Strengthening the demand side of training, increasing competition amongst providers, social equity, equality of opportunities</td>
<td>Works in Germany and in the UK &quot;Career Development Loans (CDL)&quot;, needs additional administration</td>
<td></td>
</tr>
<tr>
<td>Provision of scholarships or vouchers</td>
<td>Line ministries, local governments, labour administration</td>
<td></td>
<td>Vouchers have been tested in the UK and USA; competition increased but the need for information about the potential and performance of suppliers (UK) requires additional expenditure</td>
<td></td>
</tr>
<tr>
<td>Revenue-generating levies</td>
<td>Tax administration, MoF, distribution through training corporations</td>
<td>Generate revenues to be used in VET, fund private VET institutes</td>
<td>Disincentive for enterprises to engage in training (Brazil), used for training of unemployed in industrialised countries (Japan, Germany...)</td>
<td></td>
</tr>
<tr>
<td>Payroll levy exemption schemes</td>
<td>Special administration for setting compulsory targets and for inspection</td>
<td>Reward companies financing training by relieving them from levy payments</td>
<td>France: complicated but widely accepted system; South Korea: companies tend to pay the levy rather than engage in training</td>
<td></td>
</tr>
</tbody>
</table>
### Manual for Costing and Pricing of VET Products and Services
#### Part 2 – Supplement

<table>
<thead>
<tr>
<th>Type</th>
<th>Schemes or forms</th>
<th>Management</th>
<th>Common Objectives</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Levy - based financing</td>
<td>Payroll levy-grant schemes Training cost reimbursement schemes</td>
<td>&quot;Skills development fund” supervised by stakeholders Industrial Training Fund (Nigeria); Industrial Social Fund set up by employers and unions (Netherlands)</td>
<td>Develop training policies and support facilities in individual enterprises, financed through a training fund Encourage enterprise-based training by reimbursing training costs;</td>
<td>Singapore: Now directed at low-skilled workers only and includes small companies, very successful; introduced in UK but discontinued about 10 years ago, employers disliked government intervention Nigeria: Strong central influence, high administration costs. Netherlands: decentralised (about 80 funds) without central government interference</td>
</tr>
<tr>
<td>Fees paid for courses</td>
<td>Privately managed, paid by individuals or enterprises</td>
<td>Mobilise additional funds and strengthen the demand side of training</td>
<td>Use of individual funds: May have socially exclusive effects, if loan schemes or scholarships for poor strata of society are not in place. India, Private Industrial Training Institutes: High social demand and low purchasing power in poor target households reduce the cost and quality of courses offered</td>
<td></td>
</tr>
<tr>
<td>Accepting reduced wages during training periods at enterprises</td>
<td>Enterprises and employees or representatives, co-financing through levy funds, for unemployed; labour administration</td>
<td>Employers: Train directly for job requirements or scheduled innovations Government: retrain unemployed to become attractive on the labour market Employees: maintain or improve employability and career prospects; aim for job enrichment; comply with company’s code of conduct.</td>
<td>In Germany practised in special programmes for unemployed or trainees as an incentive for smaller and medium-sized companies to engage in training</td>
<td></td>
</tr>
<tr>
<td>Training after working hours</td>
<td></td>
<td></td>
<td>Training after hours by companies is mostly used for non-technical courses, like IY, languages and courses in management, commerce, accountancy etc.; requires a diversified offer like in India’s big cities</td>
<td></td>
</tr>
<tr>
<td>Repayment of training loans</td>
<td>Privately paid, during grace periods interest is covered by government or employers</td>
<td>Recover costs of training</td>
<td>Banks must be provided with default guarantee by the government</td>
<td></td>
</tr>
</tbody>
</table>

**Table S-07: Synopsis of funding schemes and funding sources for VET**
*(Compare Gasskov, 1994 and 2000)*
Supplement 5:  
**Labour Market Analysis**

Employment growth and job vacancies for individual occupations and qualifications can be monitored. This can be done through local media advertising or from job agencies. If job vacancies fall and unemployment rises, this could indicate a skill demand decline. The number of applicants and time taken to fill a vacancy also indicate skill demand. Employment data by occupation and gender, particularly when compiled over periods eg: quarterly can give a good indication of growth.

This information which records workers in the formal sector is often more readily available in developed than developing countries. While it is difficult to forecast industry trends it is important to be aware of trends as they relate to training demand.

There may be other factors though that affect vacancy rates eg: wages, low prestige, caste/class restrictions. If vacancy rates require training of skilled workers, training providers can react flexibly to train people for these vacancies.

Skills shortages reported from enterprises, reflect demand for current employees, not what they may need for the future. Employers may take the cheapest labour and not necessarily the most qualified, technically and academically.

Labour Market Analysis using Surveys is one means of determining labour market needs at a particular point in time.

While this information provided by employers can be useful in planning training courses it should be remembered that because of a number of variables this information is not always accurate and, if possible, should be supplemented with other sources of information.

Employers typically respond to labour and staff training needs at the time of the survey.

Labour Market Surveys can give information about the supply and demand for work within a certain area or region.

A Labour Market Survey should provide information about the occupation type and skills that are required to obtain a job in each industry sector.

It is rarely the case where demand for work matches the supply, labour market analysis can assist in predicting the potential future jobs demand. A labour Market survey can also assist in assessing the current and future training needs of enterprises. This information can be useful for training institutions providing enterprise training for employers workers.
Labour Market Survey Tips

- Local companies can be contracted to conduct surveys. Students can also be used from colleges or universities. *F-Skill Nepal used MBA Business students from Kathmandu University to conduct a survey of enterprises in Kathmandu. Students were trained and supervised by F-Skill staff. F-Skill obtained labour market research at a low cost and the students benefited from real life interaction with local enterprises.*
- Labour Market Surveys should be carried out in person (in preference to telephone or mail) to get the best results. Interviews are arranged with employers at a time suitable for them.
- Be specific about industries and sectors to be surveyed. Employers can often be identified through industry associations or the telephone book.
- Labour Market Surveys need to be done every 6-12 months, due to changing external and internal factors affecting enterprises.
- Labour Market Survey results should be checked with any other available labour market information.

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### Questions to ask

<table>
<thead>
<tr>
<th>Questions to ask</th>
<th>Sources of information</th>
<th>Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. How many firms and how many employees will be in this sector in the VET provider’s catchment area in 2–3 years time?</td>
<td>• Local employment censuses and forecasts&lt;br&gt;• National/sectoral forecasts from industry boards forecasts can be applied to foresee possible local trends.</td>
<td>• Historical data extrapolated from these sources should be used with caution&lt;br&gt;• National/sectoral employment</td>
</tr>
<tr>
<td>2. Which firms, occupations and qualifications are growing most rapidly, and which are declining?</td>
<td>• National/sectoral forecasts from industry boards&lt;br&gt;• Tracey studies of graduate wages and employment&lt;br&gt;• Small labour markets</td>
<td>• Such information can provide a broad national perspective&lt;br&gt;• Low employment rates and decreasing wages may reflect declining demand for certain skills</td>
</tr>
<tr>
<td>3. What changes in working practices and technology are expected to result in new training demand?</td>
<td>• National/sectoral forecasts from the industry board&lt;br&gt;• Studies on the sector made in other countries</td>
<td>• Such information can provide a broad national perspective&lt;br&gt;• It can also suggest ideas for forthcoming changes in the sector</td>
</tr>
<tr>
<td>4. What types of skill shortage do employers report and which training programs are they seeking?</td>
<td>• Employer marketing visits</td>
<td>• This provides reliable, short-term information.</td>
</tr>
</tbody>
</table>

### Table S-08: Sectoral Labour Market Analysis

Labour market surveys have limited use and have a high degree of inaccuracy, however when used with other labour market information can give an indication of skill demand. Labour market conditions change regularly as do enterprises intentions to employ, surveys need to be done on an ongoing basis. This information should also be made available to job seekers and private individuals to enable them to make (training) choices. 

Other limitations to labour market surveys:

- Employers must be prepared to freely offer information, lack of trust may inhibit participation;
- Employers may employ workers outside the formal economy, they may not want to acknowledge these workers, postal surveys have a low rate of return.

The most effective way to conduct the surveys is to arrange interviews, face to face with employers at a time convenient for them. Local companies can be engaged to conduct the surveys or University business students.

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29 Gasskov 2000: p. 139 (Adapted)
It is a good idea to get the local chamber of commerce and industry involved or business associations. They may be able to encourage or facilitate members to participate.

Wage rates and real income across sectors, occupations and qualifications may indicate demand for skills where competitive wages apply.

Enterprise feedback – the reaction of enterprises to VET graduates provides useful information.

Tracer studies gather information on graduate placements, earnings and hours of work. See Sample Tracer Study Forms attached in the Toolkit Item 37: Sample Tracer Study.

Rate of return on investment (ROI) is another tool that helps in evaluating the links between the cost of training and improvements in graduates incomes.

**Box S-05 Questions to ask in assessing future demand for VET services**

1. Concerning young people’s future demand for courses and the number of training places needed to satisfy the projected demand:
   - Is demand for VET programs going to increase?
   - Can the government afford to fully satisfy this demand?
   - Which courses should become priorities?

2. Concerning sectoral and regional demand for new skilled labour.
   - Which economic sectors or regions will need new skilled labour, if any?
   - Which qualifications will be most needed?
   - Will more training be provided by employers?
   - Should the government provide or support programs for growing/declining sectors and regions?
   - Should the government provide or support programs for workers in employment?
   - What will be the priorities?

3. Concerning disadvantaged groups’ training needs:
   - Who comprises these groups and will their numbers increase?
   - What are these groups’ future needs for VET and which should have priority?
   - Can the government afford to satisfy these needs?

4. Concerning future needs for public VET:
   - Which training needs are priorities for government training?
   - Which economic sectors or regions will need new skilled labour, if any?
   - Which qualifications will be most needed?
   - Will more training be provided by employers?
   - Should the government provide or support programs for growing/declining sectors and regions?
   - Should the government provide or support programs for workers in employment?
   - What will be the priorities?
Supplements to Manual Section III: Costing and Pricing Basics

Supplement 6:
Costing the Use of a Machine

Factors to consider:

1. Life & utilisation of the machine
   It is necessary to have a good understanding of the likely operating life and utilisation of the machine so that calculations can be made concerning the recovery of the capital cost of the machine.

2. Capital cost of the machine
   The capital cost of the machine including the financing cost must be known and in conjunction with the estimated utilisation (total operational hours for the machine over its life) used to calculate that part of the hourly rate.

3. Servicing & repairs
   Servicing intervals will generally be known (quite often required servicing intervals are based on the hours of operation of the machine) and a best estimate should be made of the likely costs involved and related to the operational hours. Repairs will tend to be minimal when the machine is new but increase as the machine ages and an allowance should be made in the hourly rate for these costs.

4. Consumables
   The cost of consumables required to operate the machine such as perhaps fuel, oil, filters, blades have to be factored into the hire rate.

5. Administration overheads
   An allowance should be made for any administrative overheads associated with owning and operating the machine such as insurance premiums, registrations and certifications etc.

6. Profit margin
   A decision will have to be made about the profit margin that will be applied to the hire rate. This would normally be a % applied to the rate calculated using the factors above.

7. Operator – cost included or excluded
   The issue of whether or not to include the cost of the operator as part of the hourly rate or to have separate rates for the operator and the machine will depend on whether the machine is always hired with an operator. The direct costs of the operator are simple to determine but a decision will need to be made about what overheads and profit margin should be applied. There could be expenses such as workers compensation insurance premiums that should be taken into account.

8. Market rates
   Having calculated an hourly rate taking into account the types of factors outlined above it still must be realised that in a competitive market the actual hourly rate will be determined by the prevailing market rates. The above exercise will, however, give you a good indication of whether the market rates are realistic and whether you will make a profit hiring the machine.
## VET Manual - Template For Costing Of Hourly Machine Rate

### Life & Utilisation

<table>
<thead>
<tr>
<th>Estimated Life</th>
<th>Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated Annual Operation</td>
<td>x</td>
</tr>
<tr>
<td>Estimated Life of Machine Utilisation</td>
<td>=</td>
</tr>
</tbody>
</table>

### Capital Cost

- Cost of Machine
- Total Finance Costs

| $0 | B | B ÷ A | C |

### Repairs & Servicing

- Servicing
- Repairs

| $0.00 | D |

### Consumables

- Fuel
- Oil
- Filters
- Blades
- etc

| $0.00 | E |

### Administration Overheads

- Allowance

| $0.00 | F |

### Profit Margin

- Allow percentage

| % | Sub Total + Profit |

### Operator

- Base Hourly rate of pay
- Superannuation
- Other Allowance 1
- Other Allowance 2

| $0.00 | Sub Total |

### Overheads & Profit Margin

| % | $0.00 | Oper. |

### Hire Rate Without Operator

- Rate 1

### Hire Rate With Operator

- Rate 1 + Oper.
## VET Manual - Worked Example For Costing Of Hourly Machine Rate

**D**

<table>
<thead>
<tr>
<th>Estimated Life</th>
<th>Years</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated Annual Operation x Hours</td>
<td>1500</td>
<td></td>
</tr>
<tr>
<td>Estimated Life of Machine Utilisation = Hours</td>
<td>7500</td>
<td></td>
</tr>
</tbody>
</table>

### Capital Cost

<table>
<thead>
<tr>
<th>Cost of Machine</th>
<th>$55,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Finance Costs</td>
<td>$20,000</td>
</tr>
</tbody>
</table>

\[
\text{A} = \frac{B}{C} \\
\text{B} = \text{Cost of Machine} + \text{Total Finance Costs} = 75,000 \text{ B} \]

### Repairs & Servicing

<table>
<thead>
<tr>
<th>Servicing</th>
<th>$7.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Repairs</td>
<td>$4.00</td>
</tr>
</tbody>
</table>

\[
\text{D} = \text{Servicing} + \text{Repairs} = 11.00 \text{ D} \\
\text{C} = \frac{\text{A}}{\text{B}} = \frac{75,000}{10.00} = 7,500 \]

### Consumables

<table>
<thead>
<tr>
<th>Fuel</th>
<th>$6.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil</td>
<td>$1.25</td>
</tr>
<tr>
<td>Filters</td>
<td>$0.50</td>
</tr>
<tr>
<td>Blades</td>
<td>$0.25</td>
</tr>
<tr>
<td>etc</td>
<td></td>
</tr>
</tbody>
</table>

\[
\text{E} = \text{Fuel} + \text{Oil} + \text{Filters} + \text{Blades} + \text{etc} = 8.00 \text{ E} \\
\]

### Administration Overheads

| Allowance | $3.00 |

\[
\text{F} = \text{Allowance} = 3.00 \text{ F} \\
\text{Sub Total} = \text{C} + \text{D} + \text{E} + \text{F} = 32.00 \text{ C+F+E+F} \\
\]

### Profit Margin

| Allow percentage | 25% |

\[
\text{Sub Total + Profit} = \text{Sub Total} + \text{Allow percentage} = 32.00 + 8.00 = 40.00 \text{ Rate 1} \\
\]

### Operator

<table>
<thead>
<tr>
<th>Base Hourly rate of pay</th>
<th>$10.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Superannuation 5%</td>
<td>$0.50</td>
</tr>
<tr>
<td>Other Allowance 1</td>
<td>$1.00</td>
</tr>
<tr>
<td>Other Allowance 2</td>
<td>$0.50</td>
</tr>
</tbody>
</table>

\[
\text{Oper.} = \text{Sub Total} + \text{Profit Margin} = 12.00 + 3.00 = 15.00 \text{ Oper.} \\
\]

**Hire Rate Without Operator**

<table>
<thead>
<tr>
<th>Rate 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>$40.00</td>
</tr>
</tbody>
</table>

**Hire Rate With Operator**

<table>
<thead>
<tr>
<th>Rate 1 + Oper.</th>
</tr>
</thead>
<tbody>
<tr>
<td>$55.00</td>
</tr>
</tbody>
</table>
Supplement 7:

**Policies in Planning VET Systems**

Management and planning is important both at the national and training institution levels.

“The purpose of VET planning is to establish objectives and translate them into a schedule of operational activities for a set period of time; this will permit budgeting and the distribution of resources.” This could include: “overall number of training places, enrolments, outputs (number and type of qualifications to be produced) and schedules for producing them”.

Strategic planning in VET should aim at predicting long term trends in the need for employees in geographical areas and industry sectors.

It is acknowledged that this is very difficult and that the economic, demographic and social conditions for employment are likely to change in the future.

However the fact that most VET systems have limited and often inadequate funding it is essential that funds are used in the most cost effective way.

At the international level there are changes taking place in the VET sector with new concepts being introduced into public VET administration.

**Mission statements**

VET institutions mission statements often reflect national priorities and the aims of the institution.

A Mission Statement could include the following options:

“To provide job related knowledge and skills enabling people to find employment

To provide vocational knowledge and skills to any citizen who desires them and to increase the proportion of people with formal vocational qualifications

To ensure a more equitable distribution of national income by providing access to skills for the most disadvantaged groups

To support national economic priorities by catering to the economic sectors which are expected to undergo rapid growth of output and employment

To contribute to the creation of employment and self employment.”

The difference between these options is substantial, as are who is responsible for delivery ie: government, social partners, business.

The choice will determine the systems objectives, target groups, planning and allocation of resources.

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30 Gasskov 2000: p. 127
31 Gasskov: op cit n1, p. 15
Institutional level planning
VET Institutions need to develop policies for VET management, including: financing, costing and pricing, as well as establishing performance indicators and criteria.
Appropriate financial accounting systems will need to be in place to enable VET managers and administrators to be able to make decisions on the allocation of resources.
This involves a chart of accounts that captures all income and expenditure (including overhead /indirect costs) related to all the institutions activities.
Policies should include:
- Identification of appropriate people: managers administrators, coordinators and their Authority and responsibilities
- Measurements of performance, both private and social outcomes
- Qualifications awarded and standard levels
- Type of delivery: institution based, on and off the job, distance learning, mobile Training
- Method of delivery: time served or competency based
- Methods of assessment
- Staffing levels, qualifications and remuneration
- Student fees and allowances: training, subsidies, vouchers, stipends
- Equity of access
- Profits and their allocation
- Code of conduct.
Training markets are usually less developed in developing countries making it more difficult to cost and price training courses. This is further complicated by a lack of national curricula, standards and qualifications.
A common complaint is that an individual can attend either a three week or a three month course e.g.: electric house wiring (Nepal) and still receive the same qualification and wages on employment.(The longer course may include more vocational education subjects or work experience).Also, that employers do not have confidence in qualifications from training institutions.
The solution to this is:
- Nationally developed and accredited curriculum
- National system of training provider accreditation
- Established skills standards and qualifications
- Nationally recognised system of assessment
- Monitoring and quality control measures.

Sample of financial policies
1. Expenditure authorisation
2. Authorisation to tender, quote and apply for funding
3. Operation of bank accounts and electronic funds transfer
4. Petty cash control
5. Receiving/depositing/requesting money, cheques and vouchers
6. Purchase, use and disposal of assets
7. Financial reports
8. Ordering/goods received
9. Refunding of participants fees
10. Fraud control

Sample financial policies and procedures

1 Expenditure authorisation
1.1 Staff approved by the general manager can authorise expenditure up to $100 on any one purchase.
1.2 The senior administration officer can authorise expenditure up to $500 on any one purchase, with the general manager’s approval.
1.3 The general manager, in consultation with the executive can authorise expenditure up to $5,000 on any one purchase.
1.4 Expenditure over $5,000 and up to $10,000 on any one purchase requires authorisation by the treasurer.
1.5 Expenditure over $10,000 on any one purchase requires authorisation from the committee.
1.6 The committee is to be provided with monthly reports on expenditure over $5,000 on any one purchase.
1.7 All expenditure authorisation must occur prior to purchase.
1.8 All expenditure must be coded and signed by authorised staff, using the VET organization’s order forms and/or cheque requisitions.

2 Authorisation to tender, quote and apply for funding
2.1 The general manager has authorisation to submit tenders, quotes and applications for funding up to $50,000.
2.2 Treasurer approval is required prior to submitting tenders, quotes and applications for funding over $50,000 and up to $100,000.
2.3 Committee approval is required prior to submitting tenders, quotes and applications for funding over $100,000.
2.4 In this section, tenders, quotes and application for funding exclude participants training wages.

3 Operation of bank accounts and electronic funds transfer
3.1 The following persons are authorised to operate the VET organization’s bank accounts and authorise payment through electronic funds transfer: president, treasurer, secretary and general manager.
3.2 Operation of bank accounts includes signing cheques, withdrawing money, and transferring money between accounts. The approved combination in all cases is either two committee members, or committee and staff member.
3.3 The process for transfer of funds is approval by the general manager and a management committee member.
4 Petty cash control
4.1 All petty cash held by the VET organization is to be controlled by the senior administration officer and locked in the safe for safe keeping.
4.2 Requisitions for the petty cash reimbursement are to be authorised by the general manager or senior administration officer.

5 Receiving/depositing/requesting money cheques and vouchers
5.1 Receipts are to be issued for all incoming money.
5.2 The senior administration officer is responsible for depositing all money.
5.3 Requests for cash/cheques/vouchers for payments are to be handed to the senior administration officer accompanied by an appropriate invoice, cheque or voucher requisition, properly completed by 4:00 pm on Tuesdays if payment is required in that week (exception will be made for urgent payment).

6 Purchase, use and disposal of assets
6.1 Details of any assets with a purchase price of $100 or more need to be forwarded to the senior administration officer for recording on the assets register immediately following purchase.
6.2 The general manager only has authority to dispose of assets with a purchase price of $2,500 or less.
6.3 Treasurer approval is required before disposing of assets with a purchase price of over $2,500 and up to $5,000.
6.4 Committee approval is required for disposal of assets with a purchase price over $5,000.
6.5 General manager approval is required for use of the VET organization’s assets outside normal working hours and/or outside the VET organization’s operational sites.
6.6 Assets cannot be removed from VET organization premises and/or used for private use. It must be remembered that assets are not covered by insurance when not in use for project business. Any breakdown or malfunctioning of assets should be reported to the general manager.
6.7 Computers cannot be removed from VET organization premises and/or used for private use. It must be remembered that computers are not covered by insurance when not in use for project business. When a breakdown or malfunction of a computer occurs the computer error message report form must be completed and returned to the senior administration officer. The SAO will give all such error messages to the information technology contractor who will maintain the breakdown or malfunction. Maintenance of the computer breakdown or malfunction is recorded in the computer maintenance book by the information technology contractor. The computer maintenance book is held in the accounts office.
**7 Financial reports**

7.1 Financial reports detailing the VET organization’s financial position are to be prepared by the senior administration officer for each committee meeting or as required.

7.2 The reports are to consist of a balance sheet, a profit and loss report and a cash flow covering all of the VET organization’s financial activities and are to be completed in a format approved by the committee.

7.3 The reports are to be made available to the general manager and treasurer no later than seven days prior to each committee meeting or as required.

**8 Ordering/goods received**

8.1 All goods and services purchases are to be preceded by a purchase order. All purchase orders must be authorised and signed in the first instance by the general manager or by a committee member. All suppliers are aware of our “no order, no purchase” policy. Goods are generally delivered via reception and are usually accompanied by an invoice or delivery docket. All items need to be ticked off the invoice by the staff member attending reception to be sure that all goods listed on the invoice have in fact been received and is correct, the invoice is to be initialled in the top left hand corner and any discrepancies noted. The invoice is then passed to the Senior Administration Officer for payment.

**9 Refunding of participants fees**

9.1 Objective: To ensure that any fee-paying customer of a training course being conducted by VET organization will receive a refund under circumstances fair to both parties.

9.2 Policy statement: If a fee has been charged to customers to undertake a particular training course with VET organization then the following refund policy will apply:

9.3 A customer who cancels before three working days of commencement of the course will receive a total refund less a 10% administration charge (deposit)

9.4 A customer who cancels within three working days of the commencement of the course and is able to be replaced by another customer will receive a full refund less 10% administration charge.

9.5 No refund will be available if a cancellation occurs within three working days of the course commencing and no replacement customer is found. In the event of a cancellation during the first half of the course due to extreme personal situation eg: family bereavement, extended illness, placement on a subsequent course or a credit note will be negotiated with the General Manager. You must put your application for a refund in writing.
10 Fraud control

10.1 Fraud is the use of deceit, trickery or sharp practice to gain an unfair or dishonest advantage.

10.2 Fraudulent acts include acts of omission, making false statements, falsification or manipulation of records and breaches of trust and confidence.

10.3 Fraud can either result in loss of funds, misuse of assets or the loss of an advantage.

10.4 Fraud can involve people outside the organization such as:
- Invoices for goods or services not received
- Provision of goods and services by friends or family of staff, using inside information or at non-commercial prices
- Preferential payment terms given
- Claims by clients to obtain/maintain benefits

10.5 Fraud can also involve people employed or directly involved in organizations such as:
- Borrowing funds which is the most frequently committed fraud
- False receipts
- False expense claims
- False travel claims
- Ghosting (paying by cheque for non-existent sessional trainers)
- Use of signed blank cheques to make payments for non-organization purposes
- Payment of personal expenses.

10.6 The use of organization property can also be fraudulent as follows:
- Long distance personal phone calls
- Use of organizational computers for personal gain
- Use of sales tax exemption
- Unauthorised use of organization vehicles for private use
- To improve personal property such as the employees own premises.

10.7 Fraud can arise from staff failure to perform their duties:
- Failure to identify or record a false statement by a client where the client stands to gain a payment
- Recording false date for individual gain
- Providing inside or confidential information
- Deliberately destroying organization records
- Manipulating or falsifying statistics to avoid criticism or a reduction in funding
- Manipulation of data to falsely present successful organization outcomes.

10.8 Concealing a fraud is committing a fraud

10.9 Management Procedure
- Financial procedures, responsibilities and limitations are specified in the policy manual
- A regular review of systems and procedures is conducted by the senior administration officer, general manager, auditor and treasurer
• All payments are authorised before payment using cheque requisitions. Cheques are countersigned by a committee member.
• Cash transactions are kept to a minimum. Accounts have been opened to reduce the need for petty cash.
• Only small amounts of cash are left on the premises in a safe.
• Monthly reconciliation and computer print outs for each project are compiled with bi-monthly financial accounts presented to the management committee.
• Budgets and spending to budget is reviewed regularly with the co-ordinator of each project and the general manager.
• All projects are audited, whether required by external funding providers or not. The organization is audited annually in accordance with the appropriate regulations.
• A system has been established for ensuring the building is secured at the end of the day. A security company visits each night and an alarm system is installed.

10.10 Procedure if you suspect or discover fraud
• Report the matter to the general manager unless he may be involved, in which case report it to the management committee.
• Do not attempt to carry out your own investigation as such action may jeopardise due legal processes.
• Do not jump to conclusions but observe and note the circumstances.
• Do not make assumptions.
• Do not discuss it outside the organization or management committee.
• Assess the magnitude of the fraud and its impact on the organization.
• If it has a minor impact, the infringement may be handled within the organization.
• The general manager will decide what disciplinary action is appropriate.
• If it has a critical impact on the organization, the management committee is to be advised immediately. You may also have to advise the police if instructed by the management committee.
• If legal proceedings have commenced do not discuss the situation in any way in public, or even informally with colleagues as this may prejudice the legal proceedings.
Supplement 8: 
**Factors Affecting Pricing**

1. Training institution policy
   - The level of profit required will affect pricing.
   - Institutions usually price to break even or make a profit at a fixed percentage.
   - Public training institutions are sometimes seen to have an advantage over private providers in that they can contribute infrastructure, administration and resources towards enterprise activities at a subsidised rate.

2. Equity policy
   - Training Institutions targeting disadvantaged equity groups are unlikely to charge student fees.
   - They are likely to offer training allowances, vouchers or stipends to attract trainees.
   - These may be financed by government, NGO’s or INGO’s.

3. Highly valued skills
   - Where skills are in high demand, leading to good employment opportunities, higher fees can be charged.
   - This training is often more expensive as it requires more expensive training resources.
   - Conversely, in entry level or low demand skills and the courses that include vocational education, lower fees are likely to be charged.

4. Market competition
   - In a well developed training market, with a number of training providers, pricing will be very sensitive with a small price variation.
   - Training providers may lower the price, below the average and below cost to capture market share.
   - This is not advisable as losing money on training is not sustainable.

5. Economic factors
   a. International
      - We are now living in a global village where national boundaries for commerce and capital flows are becoming less important.
In developing countries with cheaper labour, industries can be moved quickly to take advantage of cheaper labour. Whole industries can be shifted from one country to another eg. garment manufacture in Asia, resulting in unemployment and a decline in demand for skills training. This is often outside the control of governments and VET planners. However, planners should attempt to monitor any likely impacts on the labour force and VET system. In this situation labour market training for retrenched and unemployed workers is a likely intervention.

b. The local environment
Even in developed countries with access to a range of data on industry growth and sector employment, it is still difficult to predict the demand for occupational skilled labour. This is more difficult in developing countries without any research and data. Political or religious conflict can also significantly affect enterprises and the demand for labour. This may result in an out migration from the conflict area, internally or overseas which further inhibits enterprises operations. Many developing countries are dependent on the export of raw materials and commodities, price fluctuations can have a big impact on demand and employment levels. In this situation the government and VET managers should monitor the situation and react quickly and flexibly to any changes or improvements that are likely to lead to an improvement in the business environment and a demand for skilled labour.

c. INGO – financing
VET systems in developing countries are often financed by INGO’s, in particular labour market programs, either directly or through NGO’s. Outcomes and targets (equity groups and employment outcomes) are often linked to funding. This funding is often short term, which makes long term planning difficult. VET managers need to have the flexibility and resources to take advantage of funding provided by INGO’s.
Box S-06  Case Study - F-Skill/Helvetas, Kathmandu, Nepal

F-Skill is an employment and training programme managed by Helvetas, Nepal, who are funded by the Swiss Agency for Development and Cooperation (SDC).

F-Skill commenced in June 2002 and introduced two new concepts to Nepal: Franchising and Impact Financing.

Disadvantaged groups of people are targeted for labour market training through a system of franchising.

Franchisees from the private sector organize training, based on labour market demand, courses can be from one to six months.

Franchisees are only paid for employment outcomes, after their graduates have been employed for three and six months at a minimum rate verified by the Franchisor and F-Skill.

F-Skill provides support services to Franchisees following the signing of the contract to licence the product eg. business training, market research, marketing, trainer training.

To date F-Skill has been very successful.

Over 562 people have been trained, including disadvantaged young people, women and disadvantaged caste groups, by 11 franchisees.

Employment outcomes are over 80% including self employment, a high rate by international labour market standards.

F-Skill has developed a partnership with the governments’ Council for Technical Education and Vocational Training (CTVET) and the Skills Testing Division (STD) to expedite the development of training packages and establishing national skills standards.

F-Skill is in the process of becoming a private not for profit company, franchising the brand SKILL ® Nepal, throughout the country.

Box S-06: Case study – F-Skill/Helvetas, Nepal
Supplements to Manual Section IV:
Costing and Pricing of VET Services and Products

Supplement 9:
Two Case Studies for RPL

The RPL process recognises skills obtained through work experience, life experiences, volunteer work etc and compares it against the competencies in a course.

Box S-07 CASE STUDY - RPL for an Aged Care Worker

Mary has worked as a carer in the Aged Care Industry for 7 Years and wishes to obtain Certificate 111 in Aged Care Work. She approaches an RTO to have her experience recognised. The assessor discusses with Mary a process that will look at the entire qualification and allow Mary to indicate in which areas she feels confident in her knowledge and skills.

With her assessor she selects personal care, manual handling/ lifting and communication skills. Based on this, the assessor decides to cluster a number of competencies together with a focus on the care of residents within Mary’s Aged Care facility.

The assessor will use a holistic assessment approach where they will observe Mary providing different types of care for aged care residents.

On the job observation, questioning and a professional conversation will comprise the RPL assessment. The assessor obtains permission from Mary’s workplace to visit and observe her at work.

Prior to the first visit, the assessor makes certain that Mary understands the process. Effective communication is the key. Does Mary understand the skills and knowledge that the assessor is targeting and what is required of her?

The assessor observes Mary performing personal care duties, manual handling and lifting of residents and the way in which she communicates with the residents.

Mary has excellent skills and demonstrates good communication skills.

During the observation, the assessor asks questions to assess Mary’s knowledge. Mary supplies evidence of training that she has done in the workplace. Following the observation, the assessor continues a professional conversation gaining further insight into Mary’s level of knowledge within aged care.

In addition Mary’s supervisor gives the assessor information on her competence over time.

Following the observation, the assessor discusses the findings with Mary. The assessor outlines that there will be a recommendation that Mary receive full recognition for a number of competencies.

This is the first phase of the RPL process. The assessor uses the Registered Training Organization’s forms to detail the observations, evidence obtained, etc and how the Applicant responded to the assessment.

Some gaps are identified and a training plan is put in place to address the gaps.

Box S-07: Case study – PRL for an aged care worker
Box S-08 CASE STUDY - RPL for a Room Attendant/Cleaner

A person has worked as a Room Attendant/Cleaner for many years in a Hotel. The Supervisor has indicated to the Employer that the Applicant is very competent in the workplace. The Employer encourages the Room Attendant to apply for an RPL/RCC to obtain a qualification in a particular competency. A time is made for an Interview with an Assessor and the Applicant to discuss the Unit/s of Competence, the skills and knowledge required for the Competency. After the discussion, it is decided that an RPL/RCC application can be supported. A discussion takes place regarding the types of evidence to support the Application. The Assessor asks the Applicant to “gather the evidence” and sets another time for a meeting when the Applicant has all the information together. An application form is filled out and the Applicant is informed about the timeframe for the processing of the application. At this meeting, the Appeal’s Process is explained. Both parties sign a Record of Interview which includes the above points.

Box S-08: Case study – RPL for a room attendant/cleaner
Supplement 10: Distance Learning Basics

The purpose of Distance Learning

It can expand upon existing VET services and improve the quality of services provided

Provide increased access for students who need education and training in rural communities, in subjects such as animal husbandry techniques and fertiliser usage, computer keyboarding, software applications and computer maintenance

Provide increased knowledge of and experience in the use of communication technologies such as radio, computer and television

Provide training for teachers, administrators, community and health workers in places where there is limited access to professional development

Provide important information to rural communities on issues such as health and family planning, agricultural markets and emergency support services

Reach students who do not have access to traditional learning opportunities or specialised courses, because of distance, time, or financial constraints Meet the needs of students who cannot attend courses because of employment commitments, child-care demands, disability or remoteness

Attract students who like self paced learning and provide instruction in subjects that do not attract sufficient numbers to run traditional classes

Serve as a stepping stone to regular classroom instruction

Link students from different social, cultural and economic backgrounds.

Typical Distance Learning services and systems

Typically, a DL programme provides learning tasks, information and instructions, required reading and assignments to students. It also establishes systems for teacher-student interaction. The provision of these services relies on the use of communication technologies.

High-level communication technologies can provide interactive learning programs through mediums such as the Internet, email, computer based training, and video conferencing. Have a look at Supplement 10: Delivering Distance Learning using web-based technologies. These can be effective ways of providing good quality DL programs, but “often too costly and unsustainable for developing countries with limited resources allocated to education.”

Low-level technologies use printed materials, audio and videotapes, CD ROMS, telephone, local radio and TV as mediums for DL. These are more likely to be more realistic, sustainable and cost effective for rural DL projects in developing countries, especially if they are combined with delivery methods that promote student-teacher interaction.

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32 Goldmann 2004: p. 2
The development of a Distance Learning programme

The development of a DL Programme is structured in a seven-step-process containing:

- Research the needs of a DL programme
- Obtain support for a DL programme
- Establish DL programme objectives
- Develop programme curriculum
- Identify programme delivery methods
- Develop instructional materials
- Facilitate programme delivery and assessment

It is graphically displayed in Figure S-04.

1. Research the needs of a DL programme

A survey of the remote/rural area targeted for DL programs should be made to determine:

- What are the remote/rural area learning needs?
- What is the demand for DL services in the area?
- How can these demands be best addressed through a DL programme?
- What are the most cost effective and sustainable DL strategies for meeting these needs?

Data should be collected to estimate student need over an extended period, say five to ten years. You will need to develop questionnaires that gather information on student needs and characteristics, facilities and resources for undertaking DL. A sample survey is provided in the Toolkit Item 21: Training Needs Survey.

Survey information should be analysed to determine the subject areas and target groups for DL training programs.

"Success or failure of a DL project depends upon its potential for sustainability over the medium to long term".33

2. Obtain support for a DL programme

It is important to gain community support for a DL project. Successful rural and remote community DL programs generally provide education/training services to small communities who fully support the project aims. This means taking into account the cultural and social values, customs and traditions in the development of the programme. The programme needs to be sensitive to community priorities and needs and issues such as gender and age. Religious and political leaders may need to be convinced of the advantages of the programme.

Involve local partners (government and non government organizations and personnel) in the project and conduct stakeholder meetings in the early stages of setting up a programme. A successful DL programme in a rural community needs grassroots support and knowledge. “Local partners should know local customs

33 Goldman: op cit n1, section 5, p. 6
local customs, be able to work and teach effectively in local languages, have demonstrated abilities to deal with political and bureaucratic realities.\textsuperscript{34}

\begin{figure}
\centering
\includegraphics[width=\textwidth]{figure_s-04}
\caption{Key steps in delivering a Distance Learning programme}
\end{figure}

\textsuperscript{34} Goldman: op cit n 2, section 5, p.19 (Emphasis added)
3. Establish DL programme objectives

DL Programs need to have clear educational objectives based upon well-developed understanding of client needs. These objectives, or learning outcomes, should be integrated wherever possible with national education systems and standards. Linking to national curriculum and standards wherever possible will facilitate government support for the project. Clear programme objectives provide a rationale of the benefits for instigating and financing a DL project.

Below are some examples of vocational DL programme objectives:

- Use DL to train 25 rural teachers for immediate service in the 15 villages participating in programme
- Provide AIDS health information and training for community workers each week in each of 15 participating villages
- Provide two hours per day (five days a week) of basic instruction in animal husbandry based on the national curriculum to 250 students who have previously been unable to attend traditional programs
- Provide one hour of horticultural information and training six days a week to rural farmers.

4. Develop programme curriculum

This may be the most expensive and time-consuming element of a DL project, as well as the most labour intensive. Wherever possible access centrally developed curricula as the basis for your programme. Established curricula can be customised to match the target group’s needs. However you may need to develop original curricula or course outlines in the language of the target population. Well-designed DL programs should be flexible, provide a supportive learning environment, promote teacher-student interaction and be relevant to students’ actual circumstances.

Cost may well decide whether content is purchased or created. The following criteria can be used:

- Purchase and use developed curriculum when suitable and cost-effective;
- Purchase and adapt when not exactly suitable, but cost-effective;
- Create own curriculum when no suitable or cost-effective materials are available.

5. Identify programme delivery methods

Full time or part-time study is possible with DL, although most students choose part-time study. DL may be used on its own, or in conjunction with other more traditional forms of delivery, including face-to-face instruction, then being called blended learning.

Distance learning programs often feature consensus building and group projects, through which students can develop skills in collaborating with distant colleagues and cooperating with a diverse group of individuals. Such skills are increasingly needed in the global workplace.

Careful planning and attention to detail in the organising of DL programs is critical for success. While the content of programs remains basically the same as classroom delivery, new strategies are required for presenting the material to students and ample time should be allowed to develop these.
You will need to:

- "Understand the strengths and weaknesses of the instructional delivery systems available (e.g., audio, video, data, and print) as well as the technical means by which they are delivered (e.g., satellite, microwave, fibre optic cable, etc.)
- Analyse the advantages and disadvantages of delivery options in relation to student needs and the course requirements before selecting a mix of instructional technology
- Encourage close working relationships between curriculum designers and technical staff members working in the development of the programme
- Make sure each site for DL is properly equipped with functional and accessible equipment. Provide a toll-free "hotline", if available, for reporting problems by providing an exclusive telephone number that is centrally staffed for technical problem solving
- Teaching materials must be prepared in advance; timing, variation, and smooth transitions must be planned. Teachers should allocate from three to five hours of preparation for each hour of distance instruction
- Diversify and pace course activities and avoid long lectures
- Provide a variety of activities, such as debates, polling, reflection, and critique
- Consider providing a strong print component to supplement non-print materials" 6
- Request potential students to complete a self-assessment for DL. This will assist you determine their suitability for DL programs 7 (See sample in Toolkit Item 22: Student Self-Assessment Form for Distance Learning)
- Provide technology training for both teachers and students. If possible arrange for students to attend a face-to-face session where they can become familiar with the technology before commencing their DL programme
- Use locally relevant case studies and examples as often as possible to assist students in understanding and applying course content.

Develop instructional materials

Technology should be adapted to the programme curriculum, not the other way round. Both the technology to support DL delivery, and the programme instructional materials, should be simple to understand, easy to use and maintain, adaptable to change and able to support complexity.

Instructional materials fall into three basic categories:

- Tasks: These are instructions to the student. These should provide simple, clear, step-by-step instructions that allow students to achieve a result. This addresses one of the four basic learning modalities – "Tell me what I need to do." Adding a further layer of information to the instruction steps addresses a second learning modality – "Tell me how it is done?"
- Additional reading and information: Reading can be text, video, audio etc. Adding keyword links to short explanations and in-depth readings throughout the instructions addresses a third learning modality -"Tell me why it is done this way."
Assignments: These allow students to practice and apply their learning and experiment with new concepts. They can also be used to assess students’ achievement of learning outcomes. They address a fourth learning modality – “What if I try this?”

Facilitate programme delivery and assessment
Effective distance teaching requires the enhancement of existing teaching skills to meet the special requirements of the DL environment. The following tips will assist:

- Show enthusiasm. Teacher support and interest are critical to the success of DL
- Be available and promote interaction from and between students from the start of the course
- Encourage a learning community amongst students. Establish a friendly and effective learning tone early in the course
- Make the course user friendly by focusing on the students, not the delivery system
- Combine e-mail, two-way radio or telephone discussion with audio/video and printed materials to enhance the social aspect of learning
- Build group rapport and cohesion by introducing students to each other, matching them with partners, and assigning group projects
- Develop information management skills to assist students in selection and critical assessment of course materials and references
- Use learning contracts to establish goals for participation
- Foster learning-to-learn, self-directed learning, and critical reflection skills
- Be concise. Use short, cohesive statements and ask direct questions, realizing that technical linkages might increase the time it takes for students to respond.35

Organization and administration of a DL programme
Investigate the resources needed to deliver a DL programme
In deciding upon the resources necessary to conduct a DL project you will need to know:

- The number and characteristics of students to be served
- The number of teaching staff needed to deliver
- How the curriculum will be developed and delivered
- The type of technology needed to deliver the programme
- The requirements for operating and maintaining the DL programme

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The administrative structure should provide:

1. A governing body to oversee quality and sustainability of the project
2. Day to day administration to coordinate teaching services, staff training and student support services
3. Financial administration to procure and manage funds, income and expenditure
4. Facilities and equipment needed to develop and deliver DL programs
5. Monitoring and evaluation processes.

**Identify suitable DL delivery technologies**

Most remote areas and rural communities in developing countries do not presently have the telecommunications infrastructure to support higher-level technologies. Programme designers will generally need to use lower-level technologies. The following questions will need to be considered:

- What are the technologies that currently exist within the service area?
- Which of these can be made accessible to the student population?
- What other lower-cost technologies could be used?
- What implementation issues need to be addressed?

You will need to research the strengths and weaknesses of the instructional delivery systems available in your area (e.g., audio, video, data, and print) as well as the technical means by which they are delivered (e.g., satellite, microwave, fibre optic cable, etc.). Check Supplement 10: Delivering Distance Learning using Web-based technologies.

It is important to analyse the advantages and disadvantages of delivery options in relation to student needs and the course requirements before selecting a mix of instructional technology.

Your programme delivery methods will be directly related to the types of communication technology available. Remember that a successful DL programme needs to incorporate interaction between students and teachers.

High-level technology systems have excellent tools to support two-way communication. Electronic communication may take the form of audio, video, email, virtual classrooms and teleconferencing. The two main types of electronic communication between students and teacher and are:

- Synchronous communication refers to students and teachers communicating with each other in real time (e.g. web-based chat rooms/ teleconferencing and video-conferencing)
- Asynchronous communication refers to students and teachers communicating at different times. (e.g. email correspondence, web forums/newsgroups/bulletin boards, audio and video recordings).

Commonly used communication methods are:

- Email: Used for delivery of course materials, sending in assignments, getting and giving feedback and asynchronous discussion groups
- Educational website forums/ bulletin boards/newsgroups: Used for discussion of special topics; downloading of course materials or tutorials, interactive synchronous and asynchronous tutorials
Link websites - used to provide online databases and library catalogues to help students acquire information and pursue research related to course study. See Toolkit Item 23: *Distance Learning Checklist to Chose Technology*. However these sophisticated electronic systems are costly to sustain and many developing countries do not have the technology infrastructure to support their use by training providers. Fortunately there are less costly alternatives.

**Low-level technology systems**

“Rural communities are most willing to accept distance learning programs that use technologies that currently exist in the community.”³⁶

These may include:

- Local radio
- Telephone
- Mail service
- Audio tapes
- Video tapes/DVDs.

These may have difficulties with achieving interaction between students and teachers, but if used in combination with face-to-face learning they can be effective.

“An example would be a local teacher using video tapes/DVDs or CD-ROMS in the classroom with a two-way wireless radio that provides feedback to and from a DL instructor located in a central city.”³⁷

“When I am pressed to say what I think is the most cost-effective teaching medium (for DL), I tend to answer, audio cassettes plus print. I believe that audio cassettes are the most underrated technology of all in open and distance learning.”³⁸

**Identify staffing and staff training needs**

The following staff duties are likely to be required for a DL project:

- Training institution management
- Programme co-ordination
- Teaching, tutoring, programme facilitation
- Curriculum design
- Instructional technology design
- Technical problem solving and maintenance.

³⁶ Goldman: op cit n6 section 5, p. 29
³⁷ Goldman: op cit n7 section 5, p. 26 (Emphasis added)
³⁸ Goldman: op cit n8 section 6 p. 12 (Emphasis added)
Programme administrators, teachers and other key instructional staff, should be knowledgeable about the content, the technologies, the instructional methods and the individual needs of the learners to provide effective DL programs. Staff may need training in the following areas:

- Surveying and needs analysis
- Marketing and advertising
- Student recruitment and selection
- Student counselling and support services
- Student assessment
- Programme and teacher evaluation
- Programme sustainability through fund raising and cost recovery
- Teaching technology
- Uses of technology to enhance classroom instruction
- Development of instructional materials
- DL teaching approaches.

**Identify student support service needs**

Student support services are critical to the success of a DL programme. They should include providing comprehensive course information, including details on enrolment, assessment, career guidance and counselling, technical support, and job placement where appropriate.

“Students should be able to contact someone easily and quickly whenever materials fail to arrive, tutors fail to mark assignments, the communal television set is broken or personal problems arise. They need easy access to information about programs and about how to enrol and withdraw.”

**Preparation of students for DL**

To function effectively, students must quickly become comfortable with the nature of teaching and learning at a distance. Efforts should be made to adapt the delivery system to best motivate and meet the needs of the students, in terms of both content and preferred learning styles.

- Ensure students are aware of and comfortable with the forms of communication to be used in the distance learning programme
- Learn about students' backgrounds and experiences. Discussing the teacher's background and interests is equally important
- Be aware of the different learning styles of students, which may be difficult to determine in a distance learning programme
- Be aware of different communication styles and varying language skill levels amongst students.
- Be sensitive to varied cultural backgrounds and remember that humour is culturally specific and won't be perceived the same way by all students
- Encourage students to take an active role in distance learning programs and take responsibility for their learning.

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39 Goldman: op cit n 9, section 6, p. 9 (Emphasis added)
“In virtually every RDL programme, these costs are substantial and tend to be grossly underestimated.” ⁴⁰

Organize administrative and record keeping requirements
Records may need to be kept for some or all of the following items:
- Student enrolments
- Attendance
- Drop out rates
- Learning progress
- Learning outcomes achieved
- Assessment results
- Qualifications issued
- Job placement following training.

Undertake programme marketing and enrolment
DL programme marketing is aimed at attracting students, gaining community support and attracting funding and benefactors to the project. Advertising information should itemise the benefits of the programme to students, employers and local communities.

A selection of promotional activities may be used including public and community presentations; personal selling (door to door); advertising and publicity (newspaper ads and editorials, magazines, flyers, mail-outs, billboards, email, TV, radio), promotional gambits (discounts, trade shows, free samples).

Monitor and evaluate quality of service delivery
Programme monitoring involves routinely checking the progress of the DL project to confirm that activities are proceeding as planned or to indicate where variation is occurring and intervention is needed.

Monitoring is likely to include:
- Monitoring quality-assurance: This involves having established standards by which to measure service delivery, management and evaluation.
- Monitoring the management of the DL programme: Finances, record keeping, student support services, use of instructional technology; equipment and resources, staffing needs and support
- Programme evaluation involves collecting, analysing and interpreting information to judge the value of the programme objectives, instructional materials, learning processes and outcomes, marketing and administrative activities. It uses both qualitative and quantitative methods.

The external efficiency of a DL training programme examines outcomes in terms of how well a student does after leaving the programme. This is often measured as the difference in potential wages earned over a lifetime as a skilled/trained worker compared to the potential before training.

⁴⁰ Goldman: op cit n 10, Section 5, Analysing the costs and benefits, Page. 4 (Emphasis added)
Internal efficiency typically measures the average cost per student of operations leading up to graduation (or dropping out). The ideal is excellent internal and external efficiency to provide the highest possible rate of return on programme investment.

There is an extensive description of a DL programme in Vietnam. Check Supplement 11: Case Study – Internet-based Distance Education Programme Development in Vietnam.

The use of internet based technologies continues to grow as a facility for communication and for the delivery of information. Materials that are developed for delivery via the internet can also be delivered on CD-ROM or in part, via print, audio and video cassette.

By producing internet-based materials that address both low and high-level technology access, the training resources can reach a wider audience. Using low-level technology initially for delivery also allows time to develop the skills and knowledge needed, while acquiring the infrastructure, for high-technology delivery via the Internet.

It must be pointed out that the eLearning model suggested here is aimed at organizations making a gradual conversion from traditional methods of delivery. Most eLearning models are learner centred and entail a different approach to documented instructional design methodologies.

1. The eLearning survey

Before considering the delivery of distance learning programs via web-based technologies a survey of the targeted regions needs to be performed in order to acquire data that answers the following questions:

- What is the existing and desired technological infrastructure?
- What is the industry demand and potential for implementing the infrastructure?
- What are the existing skills and educational levels in information and communications technology?

The data determines an entry point for development of both the delivery systems and the type of courseware that can be developed and delivered successfully at any given stage of the eLearning delivery model.\(^{41}\)

The data acquired also has specific bearing on:

- Obtaining support for an eLearning model.\(^{42}\)
- Itemising and determining the start up costs.
- Identifying ongoing cost-benefits.
- Identifying the funding and financing arrangements that will be needed.

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\(^{41}\) See list at the end of Manual Section D
\(^{42}\) See Costing and Pricing Distance Learning Projects
2. Establishing the objectives of your eLearning model

2.1 Engaging students in an online system

The level of student engagement in the training programme where the student has achieved competency in the learning outcomes, is the measure of the programme’s successful delivery. The eLearning model introduces factors over and above those already discussed for distance learning.

There is even greater expectation for learners to be resourceful, not only self-motivated but they must also negotiate complex tools which may be new or unfamiliar (ie. computers, software, processes). Trainers will not have the advantage of ‘seeing’ students who are experiencing difficulty or being distracted. The instructional designer must anticipate these and other blocks that are part of the learning experience.

Ideally the first person the student engages with is the trainer who takes the important initial role of mentor and guides them into the eLearning environment. They establish a pattern of personal, as opposed to anonymous, online communication with the student from the outset (ie. enrolment process). This will help students engage in a simulated social learning environment – chat room lectures, video conferencing (synchronous activities), and online tutorial groups via forums and mail lists (asynchronous activities).

Social learning environments are good places to clarify outcomes and answer questions, and provide group feedback etc. This must be structured in a way that is simple and quick to digest so as to avoid distractions and the very real possibility of disadvantaging those who are slower at communicating.

2.2 Can all training be delivered electronically?

It is not always feasible to deliver an entire distance learning programme by electronic means. Even when access to computers, and/or Internet technologies is available some elements of the training package are best delivered in a face-to-face environment when the costs outweigh the benefits. To offset the costs involved in providing classroom training in remote areas and to maximise the delivery of training, the delivery of resources can be staged in three phases – pre-classroom, classroom, post-classroom. The advantage of delivering electronic resources in the first and third stage can be summed up this way: develop once, deliver many times.

The resources fall roughly into three categories: tasks, readings (text, video, audio, animated models, interactive simulations etc.) and assignments. The pre-classroom resources are typically readings but they should also include tasks and assignments to ensure a high rate of engagement.
Pre-classroom | Classroom | Post-classroom
--- | --- | ---
This phase prepares students regardless of their prior knowledge and skills to enter the Classroom phase at similar levels of readiness. Attention to student support services is essential. Interaction between student-teacher, and student-student is important to maintain high levels of engagement. Students enter scheduled classroom sessions when they are ready. Sessions are focussed on presenting those learning components that cannot be delivered effectively through self-paced online delivery methods. Use of video conferencing and Internet chat rooms can be used for some topics but the cost-benefit comparisons are not conclusive. Subscription to this phase should be encouraged as it fulfils an important role in monitoring the effectiveness of the training programme. It also ensures a completion for students and leads into advanced studies. This phase is an integral part of the ‘just-in-time’ training for professional development services.

Table S-09: Three-phase eLearning delivery model

2.3 Identifying the right delivery media and medium for content

The instructional design of each training programme will differ because of its content and the target audience. Consider the different learning modalities and learner types. A considerable amount of the learning resource material can be delivered in passive format however it is important to intersperse readings with dynamic or interactive content. Weigh up the costs of developing rich media/interactive content compared to passive text, audio and video materials. Student engagement will suffer if there is too much or too little information.

- Identify the essential knowledge and skill components needed to achieve competency and separate this from the underpinning knowledge and skills
- Allow students to choose the level of information they require and give them easy access to additional information that supports their learning
- Identify important elements that may need repetition throughout the training.

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43 See Glossary Toolkit Section D
Box S-09  A simple example of a distance learning programme that has been re-structured for web-based delivery.

Distance Learning objective:
Provide two hours per day (five days a week) of basic instruction in animal husbandry based on the national curriculum to 250 students who have previously been unable to attend traditional programs.

Evaluation criteria for conversion to an eLearning Model:
The minimum cost-effective target audience ratio can be met (access to computers that support online/offline viewing of web-based resources; skills, support infrastructure). The eLearning resources will continue to be of value for future on campus or distance learning enrolments, as well as the just-in-time training demands of industry.

eLearning - Instructional design objectives:
To develop a set of Learning Programme resources that can be delivered in three stages via web-based technologies for online/offline viewing, and face-to-face (or simulated) instruction. The resources are designed for self-paced learning and user initiated assessment.

Stage 1 (pre-classroom) resources comprise programme outline, learning outcomes, assessment criteria, and guidelines for study including user support information in a printable format. Study materials include readings and assignments in a variety of text/media types. User initiated assessment indicate readiness for Stage 2 practical work.

Stage 2 (classroom, on-job, or simulated) resources comprise various learning resources that enhance practical work and assess student progress/learning outcomes.

Stage 3 (post-classroom) resources comprise access to Stage 1 resources, additional readings as required, and possible subscription to mentor programme.

Box S-09: A simple Distance Learning programme

The Table S-10 below shows various data types (text, images, audio etc.) and the ways in which information can be published or delivered. In planning the content of a training programme it is important to know the various methods of document production required for effective delivery via the different mediums. For instance print media requires high-resolution images. These can be converted to quick displaying (small file size), low-resolution images that are suitable for Internet delivery, but not vice-versa. The same is true for audio files.
<table>
<thead>
<tr>
<th>media / medium</th>
<th>Print/Audio/Video</th>
<th>CD-ROM</th>
<th>Internet</th>
</tr>
</thead>
<tbody>
<tr>
<td>Text</td>
<td>Produced electroni-cally and printed.</td>
<td>Produced electronically and published in digital format. Can be printed or viewed on computer. Hyperlinks can be used. (See file types)</td>
<td></td>
</tr>
<tr>
<td>Still images</td>
<td>Same as for text.</td>
<td>Same as for text. (See image file types)</td>
<td></td>
</tr>
<tr>
<td>Audio</td>
<td>Produced electroni-cally and published on analogue or digital audio cassette.</td>
<td>Produced electronically suitable for Internet-based delivery. (See audio file types)</td>
<td></td>
</tr>
<tr>
<td>Non-interactive video or animation</td>
<td>Produced electroni-cally and published on video cassette or DVD.</td>
<td>Suitable for complex multi-media or simplified for Internet-based delivery. (See video file types)</td>
<td>Produced electronically suitable for Internet-based delivery. (See video file types)</td>
</tr>
<tr>
<td>Interactive animation (models/simulations)</td>
<td>Suitable for complex multi-media or simplified for Internet-based delivery. (See video file types)</td>
<td>Produced electronically suitable for Internet-based delivery. (See video file types)</td>
<td></td>
</tr>
<tr>
<td>Administrative information gathering (database)</td>
<td>Data can be printed.</td>
<td>Data can be published in digital format and printed or viewed on computer.</td>
<td>Data is gathered, verified and added or edited online. Specified data can be viewed online.</td>
</tr>
</tbody>
</table>

**Table S-10: Delivery and publishing of data**

### 2.4 Monitoring and mentoring eLearners

Monitoring and mentoring students is a process that begins in enrolment and continues throughout their participation in the programme. It can be achieved through automatic tracking of the students’ access to learning materials and also by providing a means for students to connect with mentors, tutors or trainers on a regular basis (online lectures, tutorials, email correspondence, etc.)

Synchronous and asynchronous methods of communication need to be given a high priority. The primary purpose is to facilitate positive feedback from the tutor to the student (ie. acknowledging the student’s participation in the programme) and strengthen student engagement.
3. Developing a web-based delivery system

3.1 Technical considerations

The eLearning platform or Learning Management System (LMS) is the engine that delivers the training (content) and administrative resources and tools. A consideration at the outset should be whether you will build and host your own eLearning platform or whether you will buy a licensed LMS software/hosting package.

Some key aspects that guide the development of an eLearning platform are:

- Identifying the programme objectives for the individual learners, training administrators and sponsoring organization
- Defining how a student’s progress will be measured, tracked, and reported
- Determining what learning content will be required for each learner, now and in the future
- Identifying the support tools (labs, references, collaboration, etc.) that will be required by the learners
- Identifying the support tools required by the trainers and administrators
- Identifying which existing and new components of the training organization are to be integrated
- Ensuring the platform is compliant with common and emerging industry standards i.e. sharable content object reference model (SCORM) - a set of technical specifications that enable sharable, durable, and reusable web-based learning content
- Is the platform secure?

3.2 Content management system

It is expedient in the longer term for all learning data to be stored as logical chunks of information in a database. Relationships are built that connect relevant data types. In this way the individual text chunks, audio and video items etc. can be reutilised in different training resources and delivered in a variety of formats.

It is also common for electronic training resources to be developed as a complete lesson files. This is easier for individual instructional designers and trainers to develop but increases the amount of time spent updating and reusing information.

3.3 Administration and student enrolment system

Existing administrative systems, and non-electronic/non-interactive methods can be employed to service the record keeping aspects of delivering training. However, the development of database systems to manage the administrative data standardises the way data is gathered, stored and used. It greatly reduces the amount of manual data processing while extending the usefulness of the data collected for statistical purposes. Students and trainers can be given online access to add and edit specified areas of their own data without compromising the integrity of the data or the data system.

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3.4 Staffing requirements

The ideal instructional design team are familiar with VET training and services as well as having some experience in the development of online learning resources. They work with both a web programmer and web designer. Liaison with local ISP providers will also be required.

The web design team is responsible for the design and development of the User Interface (the visual look and logical flow of the content). They convey what functions are required to accommodate this design to the web programmer. A web design team must have basic graphic design skills and be a competent computer user with experience in both Apple Mac-OS and Windows-XP operating environments. Knowledge and skills required are HTML-4, XHTML, CSS. Expertise with web development software such as Dreamweaver or Cold Fusion plus experience in educational development would be a distinct advantage. At least one team member with advanced graphic design skills using one or more of the following suggested software packages would be highly desirable: Photoshop, Fireworks, Flash, Quicktime Pro, Dreamweaver.

The web programming team is responsible for the design of the site architecture (functional behaviour). They are capable of building, modifying and maintaining a content management system. A web programmer must have extensive experience in UNIX, Linux, PHP, MySQL, XML, HTML-4, XHTML, CSS, Java, and Javascript. Knowledge and skills in database management plus familiarity with both Apple Mac-OS and Windows-XP operating environments are required. A technical background in computing with educational development experience would be a distinct advantage. Ability of at least one team member to develop ‘action-script’ for animation software (ie. Flash) is also desirable.

3.5 Development of system and resources – equipment

A development server and workstations for staff will be needed. The development team will determine the specifications for server hardware, peripherals and software they require in accordance with the standards and availability of the technology they wish to work with.
<table>
<thead>
<tr>
<th>Task</th>
<th>Staffing / skills</th>
<th>Equipment / Time</th>
<th>$ *</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training of staff to meet technical skill/knowledge requirements.</td>
<td>Technical Team - Web development programming and design skills are required to specified levels (Refer 3.4).</td>
<td>Time: From 3 to 6 months concurrent with training for DL content development.</td>
<td></td>
</tr>
<tr>
<td>Design and develop content management system (Refer 3.2)</td>
<td>eLearning Team (Instructional designer in liaison with Technical Team). (Refer 3.4).</td>
<td>Equipment: Development server – $3000 One workstation for each member of the eLearning Team – $1500 Network hardware, back-up power supply, back-up data storage system – from $4000 Basic peripherals – from $1000 Software – from $3000 (Refer 3.5). Time: 3 to 6 months. Allow time for research and development of prototypes.</td>
<td></td>
</tr>
<tr>
<td>Design and develop Administration and student enrolment system (Refer 3.3)</td>
<td>eLearning Team, VET coordinator.</td>
<td>As above.</td>
<td></td>
</tr>
</tbody>
</table>

* Costs quoted in Australian Dollars ie $1= approximately US$0.70

**Table S-11: List of Inputs for development of eLearning infrastructure.**

The major components of an integrated computer workstation – CPU, monitor, printer, scanner, digital camera, CD-ROM drive, portable storage devices, and a GUI (graphical user interface) based operating system. Software suitable for the development of Internet based resources is essential (ie. Macromedia Studio MX). Access to software that performs word processing, digital imaging and capture, spreadsheet and database functions and is either cross-platform or utilises various common file saving formats is also a high priority.
3.6 Development of programme curriculum content

<table>
<thead>
<tr>
<th>Task</th>
<th>Staffing / skills</th>
<th>Output / Equipment / Time</th>
<th>$ *</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training of staff to meet requirements for eLearning content development.</td>
<td>Instructional designer, web programmer and digital/web designer require specific knowledge of eLearning methods and technologies. (Refer 3.4).</td>
<td>Equipment: One workstation for each member of the eLearning Team – $1500 Scanner, printer, digital camera and other peripherals – from $1500 Software – from $3000 (Refer 3.5). Time: From 3 to 6 months concurrent with training for eLearning Infrastructure technical skill/knowledge requirements. Additional time may be needed for research and development of prototypes.</td>
<td></td>
</tr>
<tr>
<td>Design survey – define data required. (Refer Key Steps: 1, 12, 13.)</td>
<td>VET coordinator in charge of finance, eLearning Team. (Instructional designer in liaison with Technical Team. Require knowledge of eLearning development and delivery systems.</td>
<td>Output: Survey questions</td>
<td></td>
</tr>
<tr>
<td>Conduct survey and collate survey results</td>
<td></td>
<td>Output: Survey data -required (Refer Key Steps: 2, 3, 8, 9, 10.)</td>
<td></td>
</tr>
<tr>
<td>Identify and develop Learning Programme resources for online/offline viewing.</td>
<td>eLearning Team.</td>
<td>Equipment: As itemised in Staff Development phase Also output devices and storage media for delivery of resources for offline viewing (print, CD-ROM, video/DVD, audio cassette). Output: Various text/media types (Refer Fig. 3)</td>
<td></td>
</tr>
</tbody>
</table>

* Costs quoted in Australian Dollars ie $1 = approximately US$0.70.

Table S-12: List of inputs/outputs for development and delivery of DL resources using an eLearning model.

3.7 Support services for students and trainers

Although it is expected that eLearners and trainers will have core information and communication technology (ICT) skills, it is important to provide quality technical support service to ensure the success of the programme. It may be useful to note that participants will fall into two basic categories: those that will accept the inherent limitations with current technologies and those that allow limitations to become obstacles to learning and using the system.
Supplement 11: Seven tips for successful online learning

Online learning, has had a checkered history since it was first implemented in the PLATO system over 40 years ago. A lot of hype and many dollars have been expended on its virtues yet finally we are starting to see tangible returns. Still many individuals and organizations wade into online learning with both eyes shut. Thinking “this can’t be that hard” they embark on a journey that not all of them finish and even fewer complete to their satisfaction. Why? Because online learning is more than playing with computers. Online learning is about a balanced mix of business, purpose, technology and people. Get the mix right and you will have a great programme. Get one or more of these elements either too light or heavy and you will have (often) expensive failure.

Since more organizations are choosing to develop their own material I have provided some tips and outlined some areas to keep an eye on when considering the development and implementation of online learning in your organization.

Information does not equate to learning. Working with an instructional designer experienced in online development, not just print, will vastly improve the uptake and success of your online learning programme. More resources, activities and interactions and less text is the key to providing stimulating and engaging content and a programme which achieves learning and business outcomes. Also consider a framework for your original material such as ‘learning objects’. These portable and re-usable containers of learning material and activities are revolutionising the industry by reducing costs and improving consistency and quality of the materials.

Tip 1: Don’t over design

Paying developers a small fortune to recreate the already rich human interface design of a web browser in Flash is a waste of everyone’s time and money. Keep the Flash for when you really need it. That is animation, interactions and formative assessments etc. Effective learning environments can be designed in just HTML or using any of the numerous scripting language/database combinations to provide fast, responsive or even personalised interfaces and content. Choosing the appropriate technology/medium for the environment is a critical factor for success.

Tip 2: Use collaborative technology

A little effort right at the outset of your development to set up an easy to use environment for your developers will pay many dividends. Redbean uses the WebDAV features of Mac OS X Server to allow contributors to work continuously and remotely on their material if necessary. Both Linus and Windows support this standard for sharing files and resources. Collaborative development ensures all material is synchronised, development times are vastly improved and maintenance simplified, keeping materials fresh and current. Also at this point spend time and effort separating the content, structure and format of your materials and use web services such as XML to ‘future-proof’ your work.
Tip 3 Expensive development does not mean better learning
The ratio of development hours to learning hours can range from 10:1 for simple HTML interfaces right through to 100:1 for intensive media driven materials. Ironically the introduction of more sophisticated tools has increased this ratio, mainly due to developers doing far more sophisticated interactions. Whether these equate to better learning however is debatable. They certainly cost more though! Quite often the most effective learning design can be the simplest.

Tip 4 Work with a custom developer
For many organizations, including universities, the skills required in an online learning development team are spread thin or non-existent and so little more than text online is often the result. If you need to go beyond ‘text and talk’ consider working with a Custom Developer to give an objective and refreshing view and who can provide all the skills under one roof. Reduced development time and costs and an innovative product are often the result.

Be sure however that you have your business objectives firmly in place before engaging a developer. The consulting and design processes are not the time to be expanding the scope and the budget. In fact the more you spend on analysis, design and specification before engaging the developer the greater will be your savings in development due to improved clarity of outcomes.

Tip 5 Beware the learning management system (LMS)
The average LMS comes loaded with features, for managing students. It also comes loaded with constraints which you probably won’t hit until half through your project. Your choice of LMS will unfortunately define and hence limit your learning design. Some corporate training departments and universities are now re-considering in-house application development as a means to provide a more flexible and innovative learning design. For instance you could develop the content management system and purchase the student management system. Continuing Standards improvement and compliance is allowing the use of more mix and match, plug and play systems. The LMS vendors are also offering more modular applications allowing customers a greater fit to their needs.

Tip 6 Understand your learning environment
Learning environments are defined by place, time, method (dominant technology) and purpose. Think of mobile versus deskbound and asynchronous versus real-time solutions.

Learning environments also consist of four different layers of increasing sophistication:

- Passive.
- Transaction.
- Interaction.
- Simulation.

Passive environments are either print-centric or simple online page-turning systems. This was the first phase of the web and still dominates.
Transaction environments are online and build on the above but now include exchange of data and information via email, file transfer and discussion boards etc. Internet banking is a classic transaction layer application.

The interaction layer means that the user is now interacting in response to dynamic variables in the learning environment. Tools include collaboration and real-time manipulation. It has three sub-layers of interaction defined as reactive, proactive and mutual adaptation. Most current games interfaces are interactive but only at the reactive to proactive levels.

Simulation means fully immersed and realistic environments. In behavioural and people centred learning the classroom is still the best place for this. In areas where destructive or dangerous outcomes are possible (warfare, pilot training, surgical procedures) computer and tactile simulation environments will be preferred.

The costs of implementing successive layers from one to four rise exponentially. Full simulation is still very expensive to produce yet costs are coming down.

Further possibilities include the real-time matching of a learner’s profile with a ‘knowledge-pool’ by an adaptive learning engine to provide context sensitive support. The irony is that increasing complexity at the back-end allows increasing simplicity at the front-end for the learner.

**Tip 7 Pamper your people**

This one isn’t a tip, it’s a call for increased investment and diversity of skills in your development team. Online learning can be a rigid and difficult science if dominated by the technologists in your organization, often leading to a functionally efficient but otherwise dull learning experience. Good online learning is a combination of solid technical capability, learning material of substance and an excellent performance to marry it all together. Working with a learning and development professional can ensure your staff are also getting what they need to write quality programs, design knowledgeable learning interactions and provide superior online teaching practices.

**References**


A Case Study – Internet-based distance education programme development in Vietnam

Introduction

This paper is a case study of the efforts of one college in Vietnam, Fisheries College Number 4, to develop a plan to introduce a small distance education offering to its regular courses. Its purpose was to better serve farmers in remote regions.

Background of Vietnam

With a population of 78 million, almost 80 percent of the workforce is involved in agriculture and lives in rural areas. In 2000, Gross Domestic Product (GDP) per capita was estimated at US $300 per year. With more than 75 percent of its population under the age of 30, it has numerous new students entering the primary and secondary schooling systems. It also has massive numbers of people to train in new technologies and practical skills to achieve economic development. Less than 25 percent of the total workforce is skilled labour. The shortage of skilled workers is endemic across industries outside of the agricultural sector.

Distance education in Vietnam

Vietnam has been involved in distance education since the 1950s. Faced with swelling numbers of students and needs; the government is beginning to invest more in the sector. In particular, it believes that DE can be effective in promoting human resources training (Son, 2001).

In 1998-1999; approximately 800,000 learners participated in some sort of open learning or distance education offering. Much of the DE offered in Vietnam is print-based. Hanoi Open University (HOU), for example, has regional teaming centres throughout the country. Students receive their materials by mail or pick them up from the centres. HOU also produces audio and video materials for select courses and has videoconference facilities, funded by the World Bank. It has a simple website, and sends emails to the regional centres for basic administrative matters.

The use of Internet for DE is relatively rare due to such constraints as:

- **Lack of equipment/ infrastructure:** In 2001, fewer than 100,000 people in Vietnam had private access to the Internet. For instance, only 10 percent of the students in the Faculty of Information Technology at the Hanoi State Open University had their own computer. Most use public-access computers in cyber cafes, which are ubiquitous: even small towns are likely to have access. Still, this access also has problems. Vietnam's Internet backbone has only one major line between Ha Noi and Ho Chi Minh, and military traffic has priority. For the average user access can be grindingly slow and unreliable.

- **Expense:** In a country where average annual income is about $US 300, in 2003 a new desktop computer started at $US 800. Costs for Internet and telephone services are equally prohibitive when compared to average income. Relative to an on-campus student, a learner using the Internet for an hour a day would end up paying four to five times as much in fees.

- **Language/ culture:** Language barriers are also present. Users require a certain proficiency in English to log onto websites, participate in chat rooms, and gain access to the information resources of the Net. The Vietnamese Government also restricts access to certain sites.

continued…
**Instructional design capacity:** There are few capable DE instructional designers in Vietnam, and fewer still experienced designers of materials for the Internet. Through its Mekong Delta Facility, the World Bank is engaged in a year long project to enhance the print-based design skills of a select group of instructional designers. In 2004, this group will turn to CD-ROM technology. State-owned companies have these capabilities as well, but even they acknowledge the need for further skills training and upgrading. Despite these constraints, Internet usage in Vietnam is growing. Infrastructure problems are being remedied with Asian Development Bank funding. Vietnam plans to install fibre optic networks in the Northern provinces by 2005. The rest of this paper will describe how one college is moving forward to use the Internet as a DE teaching tool.

The challenges for Fisheries College Number 4 of Introducing the Internet

**The training challenge**

Located outside of Ha Noi, Fisheries College Number 4 is responsible for providing college level and continuing education courses to students and workers in the northern provinces of Vietnam. Its courses range from business and accounting to aquaculture, information technology, and food processing technology.

The fisheries sector is important to Vietnam, employing millions of people, contributing to five percent of GDP annually, and nine to 10 percent of Vietnam's total exports. The government would like to increase the number of fisheries technicians by 20 percent between 2000 and 2010. The goal is to create jobs for two million people in aquaculture; at present, only 30 percent have been trained. In Vietnam, aquaculture is carried out at home in rural areas, with 45 percent of the workforce comprising women.

In support of this goal, the college has developed a one-week, in-person short course in aquaculture targeting farmers. Instructors from Ha Noi help locally based staff deliver the course, travelling to learning centres in rural areas. They are away from the college for up to one month at a time. The college has a large area where it houses various species in aquaculture ponds, which are used to train farmers and regular students. As part of the governments rural development efforts, courses for farmers are offered free of charge. Class sizes range from 45-100 people, with the college offering the sessions two to three times per year.

This current training model places pressure on college staff, learners, and facilities; increasing the number of classes. Instructors must travel frequently in rural areas along roads crowded with carts, bicycles, and slow moving trucks, making for long, tiring, and dangerous journeys. Students also face difficult travel conditions and many must also be away from home and family responsibilities for extended periods.

To alleviate these problems, the college approached the Canadian International Development Research Centre (IDRC), seeking funding for the use of ICT to meet the needs of farmers. The first author was the consultant who carried out the development of a DE plan and funding proposal.

**Training needs assessment**

A basic needs assessment revealed the following issues related to the implementation of ICT in distance education:

*continued...*
Teaching and learning: The college had worked previously with Canadian donor agencies. As a result, it had a selection of audiovisual equipment and had produced 12 courses using systematic instructional design techniques. College instructors had minimal to non-existent experience with DE courses. None had ever developed materials for such courses, nor instructed in them. Some had basic computer and Internet skills, but only two IT instructors were acquainted with the technology.

Student skills were equally limited. Farmers ranged in age from 25 to 65, and their computer skills were almost non-existent. All, however, had excellent literacy skills; the United Nations Development Programme estimates literacy rates in Vietnam at more than 90 percent.

Technical considerations: In Ha Noi, the college has a computer lab with relatively new computers. Only two computers, however, were connected to the Internet. Connection speed was 11.5 Kbps, excruciatingly slow and unsuitable for DE activities.

The college has spent more than US$750,000 developing an extension training centre in Quang Ninh, a province about three hours from Ha Noi. In September of 2002, navigating the road required a four wheel drive vehicle after any rainfall. One building had a large room, which with air conditioning and rewiring upgrades, could accommodate a computer lab. Tests for connectivity at the college showed that speeds of 28.8Kbps were possible. The extension centre, however, had no computers.

Management: For more than 40 years, the college had specialized in face-to-face training. No one had experience in budgeting for, planning, or administering DE programs, or seeing to student needs and related matters. If handled badly, introducing DE as well as the Internet could thus pose imposing organizational challenges.

Cost and budgets: Funds for education in Vietnam are limited. As such, the college would have to rely on outside, foreign donors to provide the financing necessary to train staff and purchase necessary equipment.

The proposed solution
The college decided to offer learners the option of taking the aquaculture course through DE. The college proposed a blended approach, whereby students would receive theoretical and supplemental information through DE, and the practical portion via face-to-face instruction in the field.

Specific Objectives
The overall objective of the project was to pilot the use of ICT tools in support of DE in rural areas of Vietnam. In addition, the project was designed to demonstrate the effectiveness of blended training as a development educational tool with rural adult learners.

The college would establish a DE teaching centre on its main campus, with computers connected to the Internet. College instructors would use this teaching centre to create DE materials for Internet delivery, respond to student inquiries, and conduct research to help them develop courses with the latest scientific and technical information.

The college would set up a second DE centre at its Quang Ninh extension centre. For the pilot course, farmers would still attend classroom and field sessions. In addition, they would receive training in computer and Internet skills, and have access to supplementary materials that college instructors develop. This material would include information on aquaculture theory and techniques, as well as relevant information on Ministry of Fisheries programs.

The technologies the college plans to use include:

- Microsoft FrontPage for development of web-based course information
- Adobe Acrobat for the development of PDF files for the course website
- Computers networked in a local area network, connected by a server to the Internet.

continued...
Phase 1: Preparation

In this phase, lasting approximately eight months, the college will work with stakeholders, a local Internet Service Provider (ISP) NetNam, and foreign consultants to develop staff capacity in Internet technology and DE training. It will also set up the distance learning centres. Major activities will include:

Stakeholder meeting: To start the project, the college will hold a three day meeting with staff, farmers, Ministry of Fisheries officials, and other interested parties, to inform them of the project and to discuss and conduct detailed planning for project activities.

Establishment of internet-connected DE centres: The College will
- contract with NetNam to develop two Internet-connected DE centres, one in the college and one its Quang Ninh extension centre.

Staff workshops/formal training in ICT technologies: NetNam will
- provide workshops on network administration, basic computer and Internet skills, and webpage construction skills to pertinent staff.

Staff training in DE: An international consultant will provide a one-week workshop (delivered in a two-week timeframe to allow for translation time) to 20 college instructors on the development of teaching materials for the Internet. Using the existing course for farmers, the consultant will work with instructors to show them how to use materials from the Internet and paper sources, and use them to create an attractive and useful educational website that supports classroom teaching.

Additional training in Canada: Two college aquaculture instructors will receive advanced training in the latest ICT distance education techniques through on-site training in Canada. Training will take place at one or two selected institutions, over a period of two weeks.

Development of online course materials: College instructors will prepare appropriate web-based materials for the course.

Phase II - Implementation

The process in the second phase, implementation, lasting approximately 14 months, will consist of:

Course delivery: The College will use Internet technology to deliver the course two to three times in each centre, to classes of between 45 and 100 students. Farmers will have access to the labs over the entire week and will be able to review web-based materials in shifts, as computers are available. For example, one group may attend a field session, while another group works in the computer lab.

Course revisions and adjustment: After an initial round of courses, the College will revise course materials, with the help of an international advisor, who will visit for one week.
Monitoring and evaluation

The college will undertake several activities to evaluate project quality. The areas it will assess include:

- Learner and instructor satisfaction: Internet supported courses will be new to students and instructors. The college will use questionnaires, focus groups, and interviews to gather data on their reactions, experiences and suggestions for improvement.
- Equipment/ internet reliability: Administrators of the DE centres will log equipment breakdowns, internet service interruptions, electricity failures, and other technical difficulties that may affect the college's ability to deliver the course.
- Feasibility of project expansion: At the final stakeholder meeting, participants will discuss and evaluate the possibility of the college expanding online courses to its students, as well as the potential of offering courses to other students enrolled in other fisheries colleges in Vietnam and elsewhere.

Outputs from the project will include:

- Establishment of a DE centre at the Fisheries College Number 4 main campus, and at Quang Ninh.
- Development of Vietnamese language web-based course materials for aquaculture training.
- Capacity building for college staff in network administration, Internet and Web design skills, and ICT-supported distance education.
- Capacity building for students in computer and Internet skills, and the latest techniques in aquaculture.
- Report assessing the viability of ICT supported DE in Vietnam's rural areas.

Project beneficiaries

Farmers: The computer and Internet skills farmers gain may help them in other ways in the future. As e-commerce in Vietnam develops, they will have access to market information to help them receive a better price for their product. Since aquaculture is more profitable than traditional rice farming, farmers may eventually be able to purchase their own computers to access valuable information on aquaculture from the College website.

Instructors: By reducing the need to travel, instructors will have more time for teaching and other duties. They will also gain computer and Internet research skills, and enhance their teaching and instructional design skills for DE courses.

NetNam: NetNam will use this project to further its research to adopt Internet tools and resources for Vietnamese conditions.

Fisheries College Number 4: By increasing its capacity to meet learner needs, reduce costs in the long term and pioneer innovative teaching methods, the College will gain prestige and increase capacity to assist other colleges and universities in Vietnam to enhance their DE skills.

Ministry of Fisheries: The Ministry will have access to innovative and necessary training to promote its goals of poverty reduction and increased employment for the Vietnamese people in the fisheries sector.

Box S-10: Case study - Internet-based distance education programme in Vietnam
Supplement 13: Roles and Skills Required to be an Effective Assessor

The Planner
In the role of planner, an assessor has to organize and coordinate a variety of assessment processes connected with identifying, gathering and evaluating evidence of competence.

Assessment planning tasks include:
- Establishing what evidence must be gathered for an assessment event
- Determining the assessment methods and tools needed to gather the evidence
- Designing specific assessment tools to gather the evidence
- Organising the assessment resources and support processes
- Ensuring assessment events meet the needs of the work environment and the range of work functions
- Coordinating arrangements with candidates and other relevant people involved in the assessment process
- Identifying opportunities for holistic assessment wherever possible
- Designing and organising assessment validation processes.

Assessment planning skills required include:
- Organising skills
- Literacy skills
- Research and interpretation skills
- Analysis and evaluation skills.

Assessment planning requires knowledge of:
- Different assessment purposes and contexts
- Training packages, accredited courses, and the national assessment system
- Interpretation of units of competence for evidence gathering purposes
- A range of assessment methods and tools
- Industry and assessment related OH & S procedures and issues
- Efficiency and cost factors relating to conducting assessments
- Roles and responsibilities of employers, employees, trainers and assessors in the assessment process
- Relevant industry legislation, codes of practice, standards and working procedures.
The Counsellor

In the role of counsellor, an assessor has to communicate openly and clearly with assessment candidates and other stakeholders about the assessment process. Assessment counselling tasks include:

- Establishing and maintaining a collaborative working relationship with the candidate
- Explaining the evidence gathering process
- Determining candidates readiness for assessment
- Responding to questions and clarifying assessment issues where necessary in a friendly and informative manner
- Identifying candidates needs and special circumstances that relate to assessment
- Identifying when a candidate may need assistance in the assessment process
- Giving clear and precise information and instructions
- Discussing assessment outcomes with candidates
- Giving appropriate and constructive feedback to candidates
- Advising candidates on the organization’s appeal process
- Establishing professional relationships and networks with key stakeholders
- Demonstrating commitment to both validation processes and recommendations made to improve assessment processes.

Assessment counselling skills required include:

- Interpersonal skills
- Analysis and interpretation skills
- Observation skills
- Communication skills
- Constructive feedback skills
- Collaboration skills.

Assessment counselling requires knowledge of:

- Principles of assessment
- Communication and engagement skills (including cultural sensitivity and equity considerations in communication)
- Reasonable adjustment and how to modify assessment procedures for candidates with special needs
- Appeals procedures
- Context and purposes of assessment
- Candidate self-assessment techniques and activities.
The Detective
In the role of detective, an assessor has to uncover the evidence a candidate must provide to demonstrate competence.

Assessment detection tasks include:
• Identifying and gathering the evidence
• Using a variety of appropriate assessment methods and tools
• Organising evidence into a logical order
• Observing candidates performance
• Giving clear and precise information and instructions
• Gathering a variety of direct, indirect and supplementary evidence
• Gathering evidence of outcomes produced and processes carried out
• Collecting evidence in accordance with an agreed assessment procedure and plan
• Collecting valid, sufficient, current, and authentic evidence
• Collecting evidence which demonstrates the dimensions of competence
• Accounting for reasonable adjustments made to the assessment process
• Testing, reviewing and validating assessment tools and processes used to gather evidence of competence.

Assessment detection skills include:
• Observation skills
• Research and evaluation skills
• Analysis and interpretation skills
• Communication skills
• Literacy skills.

Assessment detection requires knowledge of:
• Types and forms of evidence.
• Evidence gathering materials and resources
• Practical understanding of the potential barriers relating to evidence gathering procedures and assessment processes
• Workplace procedures, standards, legislation, codes of practice procedures for use of relevant personal protection equipment and other OH&S issues
• Different types of assessment methods and assessment tools.
The Judge

In the role judge, an assessor has a variety of tasks to perform. He or she must weigh and evaluate the evidence presented by candidates and make decisions related to competence. Judgement is also required in the validation of assessment tools, processes and decisions.

Assessment judgement tasks include:
- Evaluating the evidence presented
- Consulting with other assessors and technical experts as appropriate
- Identifying information that is inconsistent, ambiguous or contradictory
- Making the assessment decision
- Informing candidates of the assessment decision
- Reviewing and evaluating assessment processes and tools
- Reviewing assessment decisions
- Analysing the results of validation processes
- Promoting the principles of fairness, validity, reliability and flexibility in assessment and recognition processes
- Following national training guidelines as they relate to assessment.
- Reviewing assessment and recognition processes and tools and evaluating their effectiveness
- Evaluating and comparing assessment tools, systems, processes and procedures for validation purposes
- Making recommendations that support continuous improvement of Registered Training Organizations assessment system and processes.

Assessment judgement skills include:
- Observation skills
- Research and evaluation skills
- Analysis and interpretation skills
- Communication skills
- Problem solving skills
- Literacy and communication skills
- Proof-reading and editing skills.

Assessment judgement requires knowledge of:
- Training packages
- The assessment principles and the rules of evidence
- Legal and ethical responsibilities associated with the assessment system
- Assessment methods appropriate for specific assessment contexts
- Strategies which show the assessment process is transparent and credible
• Mechanisms to support professional judgement
• Evaluation methods for reviewing assessment practices and assessment tools
• Various validation strategies
• Organizational quality management systems
• Quality Standards for Registered Training Organizations.

The Scribe
In the role of scribe, an assessor is required to keep the necessary records of evidence gathered and the decisions made.

Assessment documentation tasks include:
• Documenting assessment plans, assessment tools and other resource materials
• Documenting and recording the assessment process and the evidence gathered
• Using clear and comprehensive language and layout that is readily understood by key stakeholders in the assessment process
• Maintaining records of assessment plans, processes and tools
• Recording the assessment decision
• Documenting validation outcomes.

Assessment documentation skills include:
• Literacy and communication skills
• Proof-reading and editing skills
• Organising skills.

Assessment documentation requires knowledge of:
• Organizational recording and reporting procedures
• Organizational systems related to record keeping
• Relevant software programs
• Templates and support resources for assessment tasks and tools”.

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45 This list is taken from ‘The Assessor’ A complete Training Package for work-based assessment. © Blueprint Training Solutions 2004
Supplement 14:

**Quality Indicators for Vocational Education Systems**

1. The understanding of quality is embedded in the historic, cultural and social context of a country or region.
2. "Cultures and institutions are not static constructs but rather dependent on a certain readiness to process foreign cultural impressions in order to ensure their own survival".\(^{46}\)
3. Vocational training should be linked to other areas in the education sector (general secondary schooling, higher education) so as to enable the transition between these.
4. Vocational training should enable as many young people as possible, both male and female, who have completed general schooling, and who do not want to undertake higher education, to gain a professional VET qualification.
5. Further training – VET should offer working or unemployed adults the opportunity to gain further qualifications or prepare themselves for new occupations (re training), both within companies or by means of full-time or part-time (evening classes) measures, through distance learning and through the promotion of independent learning.
6. The VET system should in good time supply the employment system with graduates (skilled workers) who are fully adapted to the current needs of companies. This requires that the corresponding curriculum and training methods be employed and that suitably qualified teaching and training personnel be available.
7. VET should equip graduates with those qualifications necessary for them to remain competitive during future developments in work and production, ie new technologies.
8. VET should be linked to regional needs and demand, in order to reduce regional mobility, to stimulate regional development.
9. VET should offer employment opportunities to as many graduates as possible directly after completing the training.
10. The drop out rates for training be as low as possible, and as many as possible of those who have begun training should complete with a certificate.
11. VET qualifications and certificates should bring with them opportunities on the labour market and for articulation to higher education.
12. VET personnel should be qualified in line with the aims of education and labour market policy and undergo constant further training or educate themselves. Their working conditions should be attractive to retain them for the long term and be competitive on the labour market.
13. VET management structures should be characterised by internal and external transparency.
14. The capacity for sustainability, the continuation of investments should be ensured structurally.
15. Health, security and welfare in the workplace should be promoted in VET.

16. VET should contribute towards personal growth and to improve employability skills of young people.

17. VET should promote the capacity of young people to protect the environment.

18. VET should make a contribution to economic and social development, increasing the gross social product and to stabilisation and expansion of societal democratisation processes.\(^{47}\)

\(^{47}\) Lipsmeier A, Georg W, Idler Horst I : opcit n 1 p. 73 - 75 (Adapted)
Supplement 15:
F-Skill ISO Certification Process

Box S-11 F-Skill ISO certification process

Pre-certification process
The pre-certification processes are given as follows:
1. Documentation of processes as required by ISO 9001:2000 standard and the activities being carried out by F-Skill
2. Formulation of scope and finalisation of quality manual
3. Determination of effectiveness criteria for identified processes
4. Internal auditor training
5. Discussion on the importance of internal audit and management review meeting
6. First internal audit and management review meeting
7. Certification audit.

Certification process
Certification process of ISO 9001:2000 consists of the following steps:

Questionnaire
First hand information from an organization is taken with the help of a questionnaire. This includes the type of activities carried out by the organization and number of employees involved. This is required to ascertain the time required for auditing the organisation as well as to figure out the cost for Certification.

Purpose of the questionnaire:
- Overview of the organization
- Scope of certification
- Other sites for registration
- Number of people who are involved
- Process, Activities involved.

Quotation:
On the basis of information collected, a quotation is prepared and submitted. It also indicates the frequency of Surveillance visits as terms and conditions for grants and maintenance of Certification.

Quotation highlights on:
- Cost for Application,
- Assessment & Certification,
- Registration and subsequent surveillance audit
- Audit plan for three years certification.

Application
After acceptance of the terms and conditions of the Quotation, the client organization submits the completed application for assessment along with the application fee. A unique identification number is allotted to every organization by the certifying agency on receipt of Application.

Continued...
Purpose:
- Initial registration of company
- Confirmation of company name for Registration Schedule.
- Document review

Document review is done to evaluate the adequacy of organization’s documented system vis-à-vis requirements of the standard of Certification. A formal report is prepared and submitted to the client’s organizations for any corrective actions, as appropriate.

It highlights on:
- Review of Quality Manual and other documentation against respective ISO standards
- A written report that details if any, revisions that may be required before assessment
- A summary sheet identifying which issues are to be addressed before audit, before registration or before first surveillance audit.
- On-site assessment

Once corrective actions on observations of the document review report are confirmed by the client organization, an on-site visit is planned to verify the implementation of systems as per the standard of certification and documented system of the client organization. A report is prepared by outlining the extent of compliance with both your documentation and standard, and details any problem areas that require correction before certification can proceed.

The Audit findings are categorised into following grades:

Major Non Compliances <-> Minor Non Compliances

Purpose of on-site assessment:
- At least one Internal Quality Audit and Management review meeting should have been conducted prior to Initial assessment
- Assess the degree of compliance of your operation with your own documentation
- Written report which outlines the extent of compliance with both the documentation and standards
- Corrective actions to be taken if deficiencies are identified.

Issue of certificate:
Once the corrections have been completed, the next stage is presentation of certificate. The Registration Certificate and Registration Schedule will be provided by the Certification agency.

Surveillances
In order to verify the continuing compliance of activities the client organization to the requirements, Surveillance audits are conducted periodically. The Periodicity differs from the nature of organization.

Renewal of certificate
After three years, a re-certification audit takes place. Since it is assumed that the management system is already working, the re-certification assessment is usually of shorter duration and therefore entails a lower cost.

Report – Implementation of ISO at F-Skill
Kathmandu, September 2004

Box S-11: F-Skill ISO certification process
Supplement 16: Cost Benefit Ratios of Educational Investments

It should be noted that the ratio of expenditure to benefits, differs widely between enterprises. Firms with a high level of technology will spend more on training than firms with simple manufacturing.

There are two measures of the cost-effectiveness of educational investments (cost benefit ratios):

1. The Private Rate of Return and
2. The Social Rate of Return.

Box S-12: Case Study - Calculating the Private Rate of Return

Assumptions:

<table>
<thead>
<tr>
<th>R</th>
<th>Private Rate of Return (monetary value only)</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>Income After Training (paid soon after training completion) eg $26,000 gross per annum</td>
</tr>
<tr>
<td>N</td>
<td>Length of studies eg 6 months (0.5 year)</td>
</tr>
<tr>
<td>Cpr</td>
<td>Direct Private Cost of Training eg $3,000 fees and expenses (0.5 year)</td>
</tr>
<tr>
<td>Ifor</td>
<td>Trainees Income forgone (is income trainees could have earned if working and not studying, based on industry rates for age and work)</td>
</tr>
</tbody>
</table>

The formula above can be used as an estimate to calculate the Private Rate of Return

\[
R_{(Private)} = \frac{1 - \text{Ifor}}{N \times \text{(Ifor + Cpr)}}
\]

\[
R = \frac{26,000 - 10,000}{0.5 \times (1000 + 3000)} = \frac{16,000}{6,500} = 2.46 \times \text{the amount invested}
\]

*It should be noted that the Rate of Return (ie 2.46) refers to a one year period only. For example: if the employee works at the higher wage ($26,000) for 5 years the Rate of Return would increase significantly.*
Box S-13  Case Study - Calculating the Social Rate of Return

The calculation is the same as for the Private Rate of Return with the addition of:

\[
C_{\text{pub}} = \text{Direct Public cost of training per student/year based on national training data}
\]

\[
C_{\text{pub}} = \$6/\text{hour} \times 30 \text{ hours/week} \times 22 \text{ weeks} = $3960
\]

\[
R(\text{Social}) = \frac{1 - I_{\text{for}}}{N(I_{\text{for}} + C_{\text{pr}} + C_{\text{pub}})}
\]

\[
= \frac{26,000 - 10,000}{0.5 \times (10,000 + 3,000 + 3,960)}
\]

\[
= \frac{16,000}{16,960}
\]

\[
R(\text{Social}) = 0.94\%
\]

Box S-13: Calculating the social rate of return

“Social benefits should be estimated using the same earning differences, but calculated before tax. Private rates of return are usually considerably higher than social rates because of government subsidisation of training.

If private rates are higher for a course then this will have implications for price setting e.g. an increase in fees.

It is important for VET administrators to understand the concept of social and private rates. The aim is to improve cost effectiveness of training to enable improved individual and national productivity.”

“It is estimated that for every additional year of education an individual’s economic output increases by 3-6%.”

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48 Gasskov: op cit n2, p. 188
49 Gasskov: op cit n3, p. 188
Costing and Pricing of VET Products and Services

Part 3: Toolkit
On behalf of SDC/Employment and Income Division:

The Swiss Agency for Development and Co-operation Employment and Income Division Freiburgstrasse 130, CH 3003 Berne, Switzerland.

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Toolkit for Manual Section I
– Introduction

There are no Toolkit Items intended for the introduction section.
Toolkit for Manual Section II
– Financing VET Services and Products

Item 1:  
Steps in the Tendering Process

The following steps are taken in the tendering process:

STEP 1. Assessing the Tender and Capacity to Deliver

The institution needs to determine if they have the capacity to deliver the training course or programme as specified in the tender i.e. staffing, infrastructure and resources.  
If the tendering is a fixed price, can the course be delivered at that price and the required profit made? If price sensitive, will the price (including profit) be competitive with other tender bids?

*It is essential in tendering that institutions are able to cost and price their bids accurately.*

If the answer to the above questions is affirmative, then proceed to the next step.

If the institution decides that they do not have the ability to deliver the course or programme alone they may consider approaching another organization, this is often called a Consortium. Another approach is to subcontract part of the tender to a second party.

The purchaser normally specifies if Consortiums or subcontracting is allowed.

STEP 2. Further Points to Consider

- Can the institution meet all the criteria and conditions for running the course, including achieving outcomes?
- Will the course cause any hindrance to other institution activities?
- Does the institution have instructors with the necessary skills and experience to run the course or can the institution recruit the necessary staff?
- Does the institution or its competitors have experience in running a similar course or specialisation in this type of training?
- Can the institution clearly demonstrate that it has the ability to meet the specified outcomes?
- Can the institution meet the tender submission deadline?
- Does the institution have a “reasonable” chance of success? (If rated very low, it may be decided not to waste the considerable time and effort needed to prepare a tender)
- If a Consortium, is the institution confident that it can work co-operatively with partners and with subcontractors, can the institution ensure that they will deliver services as per the agreement with the purchaser?
STEP 3. Writing the Tender

- Appoint a tender writer or team and allocate the necessary resources and time.
- Institutions may engage a professional tender writer, as this is expensive, institutions are more likely to assign their staff to this task.
- The tender writers will need to liaise closely with the administrative, teaching and finance staff during the writing of the tender.
- Public institutions should include all indirect costs eg use of equipment and room hire even if buildings are owned by the institution or government.

*Public institutions are sometimes criticised by private institutions for having an unfair advantage by not including the cost of buildings and equipment paid through public funds.*

- Competitive tendering should include all direct and indirect costs of running the course.
- Then tender should be evaluated and checked by a senior staff member, it is useful to prepare a checklist to ensure all the requirements of the tender have been met.
- Ensure that sufficient post or delivery time is allowed to meet the closing time for submission.
Item 2:  
Tender Writing Tips

General Guidelines:
- Read all the documentation carefully many times. You should demonstrate in your response the selection criteria that you have read and understood and analysed all information supplied.
- Start information and data collection as soon as possible, delegate data and information collection activities within your institution.
- You won’t be able to add information once the tender has been posted so you must be confident that you have included all relevant information.
- Create your own checklist of the relevant information that will support your tender bid and identify the selection criteria for which it is most relevant. Any supporting material requested should be submitted with the tender.

Responding to the Tender Requirements and Criteria:
- Respond only to the criteria and course requirements, don’t give information that is not relevant or related to the tender.
- "Remember the mantra: CLAIM – BENEFIT – EVIDENCE. Make a claim, talk about the benefits to trainees, stakeholders and back up your claim with evidence. Use as many relevant sources and as much hard and numerical data as you can.
- The CLAIM – BENEFIT – EVIDENCE process will help to ensure that your arguments are clear and convincing."¹
- Keep focused on the selection criteria you are addressing. Refer back to it constantly to ensure that you are not straying from the point.
- "Make sure you are aware of the distinction between strategies and action."²
  **For example:** a performance monitoring strategy to ensure the conditions of the contract are adhered to might include actions such as conducting a tracer study of graduates.
- If you make a CLAIM that 10 trainees in the course will gain employment you must detail your strategies (before, during and after the course) to achieve this. How the trainees will BENEFIT. You can provide EVIDENCE of previous successes you have had with similar courses.
- Give examples to demonstrate your capacity to deliver. This could include qualified staff, training facilities and results from previous courses.
- Do not make CLAIMS or statements that cannot be verified, purchasers may request evidence of claims.
- Be as specific as possible, do not give general statements
  **For example:**
  NO: “A large number of students completed the welding course and many got work”
  YES: “There were 16 students in the 10 week course, 14 completed and 13 got jobs within 6 weeks after the course finished”

² Jobs Australia: op cit n 1
• Detail methods of assessment and verification
  **For example:** Provide samples of Tracer Studies or methods used to verify outcomes (if these are specified in the tender)

• Demonstrate your competitive advantage, what your institution can do that your competitors can’t. You must back up your claim with **BENEFITS** and **EVIDENCE**.

**Tender Presentation:**

• Be concise, if there is a size or word limit don’t exceed this

• “Ensure the information you present throughout your application is consistent.
  ie spelling and capitalisation, the amount of indentation used for bullets, the use of apostrophes and full stops

• Dot points: while these are a good tactic for presenting and organising slabs of information, you still need to be descriptive

• If you use acronyms, provide an explanation when you first use them

• Tables, graphs and diagrams are invaluable means of imparting large amounts of information. Make sure that you label tables, graphs and diagrams clearly and concisely

• If you represent information in percentages, include the raw numbers and the context. Percentages alone can be meaningless.

Have a number of people check the document for spelling and the flow of sentence. If they are staff members, allot time to the task; don’t expect it to be crammed in between other activities”

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3 Jobs Australia: op cit n2 (Adapted)
Item 3:  
**What the Purchaser Looks for**

- **“Value for Money.”** Does the tender provide value for money? This requires a comparative analysis of all relevant costs and benefits/outcomes of each tender bid
- **The Risk.** What is the risk attached to this tender bid? Risk is part of the environment and purchasers must manage risk. This enables purchasers to proactively identify, evaluate and manage risks
- **Effectiveness.** This concerns the institutions outputs in terms of price, quality and quantity, and the degree to which outputs contribute to specific outcomes
- **Criteria.** Does the tender meet the criteria and requirements for running the course? Does the institution have the necessary facilities, resources and experienced staff to conduct the training?
- What is the capacity of the institution to deliver the course and achieve the outcomes?
- **Past Experience.** What is the institutions performance history, in conducting similar training on a fee for service basis, what outcomes did they achieve?
- **Accreditation.** Is the training institution accredited and by whom?
- If course accreditation is required, is evidence of course accreditation provided?
- **Administrative Requirements.** Can the institution meet the administrative requirements of the tender? Including: report writing, financial accountability, outcome verification
- **Recruitment.** Can the institution recruit the target group, what are the institution’s strategies to achieve this?
- **For example:** early school leavers
- **Community Networks.** Does the institution have established networks and partnerships within the community?
- **Presentation.** Is the tender of a high quality, well written and presented, clear and concise?

**Ethics:**

Tender, “procurement must be conducted ethically to enable purchasers and suppliers to deal with each other on the basis of mutual trust and respect. Adopting an ethical, transparent approach enables business to be conducted fairly, reasonably and with integrity.

Ethical behaviour also enables tender procurement to be conducted in a manner that allows all tenders to compete as equally as possible. The tender rules should be clear, open, well understood and applied equally to all parties in the process.”

**NOTE:** If unsuccessful in a tender bid, it is useful to request feedback from the purchaser, this information will be very useful for making improvements to the next tender bid.

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5 Department of Finance: op cit n1 p. 13
Item 4: Implementation of a Voucher Programme

This section outlines the main components of a voucher programme, and presents the normal sequence of events in the procurement of vouchers, consumption of training and reimbursement. The components are described briefly, and the steps are presented more or less chronologically, though some steps overlap or occur simultaneously. The objective is to introduce, for the practitioner not familiar with voucher programs, exactly what occurs logistically. These main players and essential functions appear in every voucher programme.

A. Key Components

Administrator
The administrator has several tasks:

- set up and staff the information centre
- manage the information centre
- register training providers for participation in the programme
- distribute the vouchers through the information centres and
- redeem the vouchers submitted by the training providers.

There are two important criteria that an institution must meet to serve as an effective administrator in such a programme:

- administrative and financial capacity, and
- capacity to negotiate and serve as an impartial party while playing a leadership role in the training market.

In the long run, an ideal institution would be one which could not only administer the vouchers successfully, but one which would respond to incentives to reduce the voucher funding over time, and which could potentially continue to play the role of information provider in a sustainable manner.

Information/Orientation Centre
The information function is quite possibly the most important component of a voucher programme. Some programs try to skip or eliminate this function for cost or convenience reasons, however, this may compromise not only programme performance but sustainability.

It will be the task of the information centre to:

- confirm the eligibility of micro entrepreneurs seeking vouchers
- disseminate information on course content, time and location and
- collect and make available data on the number of vouchers used at each institute, repeat users and comments on courses.
**Auditor**

The auditor is an important function and should be independent from programme administration. While donors may require independent evaluations or financial audits of programs, the audit function must be ongoing and aimed specifically at ensuring compliance with programme regulations – especially preventing and detecting fraud.

Auditors check that:

- students using vouchers are part of the target group
- attendance records are accurate
- students are satisfied
- installations are satisfactory, as reported by the training provider in the course description
- consumers paid what the provider reported. The consumer co-payment is an important indicator of serious interest in training, and
- price of the course is the same for voucher users and non-voucher consumers. Any difference will indicate price inflation due to the voucher.

**Training Providers/Suppliers**

Training Institutes are invited to register as participants of the voucher programme and informed as to the requirements for redeeming vouchers. Common criteria for training providers include:

- at least one year of experience in delivering training
- access to acceptable facilities
- qualified teaching staff, and
- course content which would be relevant to the target group.

**Consumers**

Consumers obtain vouchers and use them as partial payment for a training course at one of participating training institutes. Consumers are defined based on the programme’s objectives.

### B. Sequence of Events

1. The **programme administrator** sets up the orientation centre → recruits and registers providers → markets the programme to the appropriate communities →
2. **Providers** get approval for courses and announce location and times →
3. The **consumer** comes to the information centre →
4. The **staff at the orientation centre** verifies that the consumer falls into the target market → registers the consumer → gives the consumer course and provider information → disburse the voucher →
5. The **consumer** takes the voucher to the chosen provider, makes the co-payment and attend the course →
6. An **auditor** visits the course unannounced to verify attendance and course information and conducts a brief survey of attendants to gauge overall satisfaction →
7. At the end of the course consumers fill out a questionnaire on their impressions of course content, presentation, applicability and overall consumer satisfaction.

8. The provider submits the completed questionnaire to the administrator as part of the requirement for voucher redemption at the end of the course the provider submits the voucher and accompanying documentation for voucher redemption. Attendance records must show that each consumer attended at least 75% of the course for voucher redemption.

9. The bank or other financial entity verifies validity of the voucher reimburses the provider for the voucher face value.\(^6\)

Item 5:
Labour Market Analysis - Sample Business Survey

F-SKILL Notes on the Business Survey

1. The survey should be completed face-to-face with the employer.
2. The surveyor should contact the employer and arrange a convenient time for the survey, preferably at a quiet place which could be away from the business. The surveyor should explain briefly the reason for the survey and inform the employer it will take about 15 minutes.
3. The surveyor should complete the survey in the presence of the employer.
4. The surveyor should thank the employer for the time and seal survey in an envelope.

7 Prepared by Ballina Employment and Training Centre (BETC).
BUSINESS SURVEY

F-SKILL is an employment oriented outreach training programme aimed at improving the livelihood of disadvantaged Nepalese people. F-SKILL is implemented by Helvetas/Nepal and funded by SDC.

This survey will help us to train people with the necessary skills for your business.

Your assistance is appreciated.

Business: ______________________________________________________
Address: ______________________________________________________
Municipality: ____________________________________________________

Is all the information on this sheet complete and correct? Yes ☐ No ☐

Record Checked by Interviewer.

Signature: ___________________________ Date: ________________________

Confidentiality: Your individual answers to this survey are confidential and will not be released.

PART A: Profile of your business

Q1. What is the structure of your business?
   Sole trader ☐ Partnership ☐ Company ☐

Q2. In what year did you start or take over this business? ___ ___ ___

Q3. What are the main products or services you provide? Please list up to four (4) in order of importance.
   1. __________________________________________
   2. __________________________________________
   3. __________________________________________
   4. __________________________________________

Q4. Where do you sell these products and services?
   Locally _____________ % Elsewhere _____________ %

Q5. Is your business Growing ☐ Still the same ☐ Shrinking ☐

Q6. Do you expect the demand for your products/services to increase, stay the same or decrease?
   Increase ☐ Stay the same ☐ Decrease ☐
PART B: Employees
Owners are counted as employees.

Q7. a. How many people does this business employ, including owners?
   Nepalese Full time ________ Part time ________
   Non-Nepalese Full time ________ Part time ________

b. How many people is the business likely to employ two (2) years from now including owners?
   Full time _______________________
   Part time _______________________

c. How frequent is the labour turnover in your business?
   High ☐  Medium ☐  Low ☐

d. How do you account for the changes to employment in your business?
   __________________________________________________

Q8. a. Does your business have problems recruiting employees in any of the following groups?
   Unskilled ☐, Semi-skilled ☐, Skilled ☐, Clerical ☐

b. If Yes, which of the following best describe your recruiting problems?
   Low skill levels ☐
   Low literacy levels ☐
   Poor work attitude ☐
   High competition for skilled employees ☐
   High wage rates for skilled employees ☐
   High cost of training employees ☐
   Skilled employees reluctant to move to this area ☐

Q9. What specific skills/training or job qualifications do you need your employees to have?
   __________________________________________________

Q10. Do you plan to replace / upgrade existing employees in the next year?
   Yes ☐  No ☐  Not sure ☐

   If Yes, please specify the type of employees that you plan to replace/upgrade.
   __________________________________________________

Q11. Overall, how do you rate your existing employees?

<table>
<thead>
<tr>
<th></th>
<th>Excellent</th>
<th>Good</th>
<th>Fair</th>
<th>Poor</th>
<th>Very Poor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Skill Levels</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Attitude towards work</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Productivity</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>
PART C: Local Environment

Q12. What is your opinion of this town as a place to conduct business?  
   Excellent □   Good □   Fair □   Poor □

Q13. What opportunities do you see for this town in terms of making the local economy stronger and creating more jobs?  

Q14. Has the present political situation affected your business? If Yes, please specify in what way it has.

PART D: Business Plans and Decisions

Q15. What range does the annual turnover of your business fall into?  
   (Optional *)   Less than Rs.100,000 □   100,000 - 200,000 □   200,001 – 300,000 □   300,001 – 400,000 □   400,001 – 500,000 □

Q16. Is your company considering expanding at all within the next two years?  
   Yes □   No □   Not sure □

Q17. Are you currently considering changing the location of your business?  
   Yes □   No □   Not sure □

PART E: Business Support Services

Q18. What is the most common way you employ new staff?  
   Word of mouth □   Advertisements □   Employment agency □   Other □  
   Describe __________________________

Q19. Do you provide training for your employees? Yes □   No □

Q20. If Yes, how long is the training? _______ days

Q21. What training are you planning in the next 12 months?  

Q22. Do you use outside trainers for your staff? Yes □   No □  
   If your answer is Yes, Who were the trainers?  

Q23. What category does your business trade under?  
   Manufacturing □,   Wholesale □,   Retail □,   Tourism □,   Import □,   Export □
SURVEY for FOREIGN EMPLOYMENT AGENCIES

F-SKILL is an employment oriented outreach training programme aimed at improving the livelihood of disadvantaged Nepalese people. F-SKILL is implemented by Helvetas/Nepal and funded by SDC.

This survey will help us to train people with the necessary skills for overseas employment.

Your assistance is appreciated.

Name of Agency: ____________________________
Govt. Registration No: _______________________
Address: ____________________________
Municipality: ____________________________

Is all the information on this sheet complete and correct?  
Yes ☐  No ☐

Record Checked by Interviewer.

Signature: ____________________________  Date: ____________________________

Confidentiality: Your individual answers to this survey are confidential and will not be released.
PART A: Profile of your business

Q1. What is the structure of your business?
   - Sole proprietorship □
   - Partnership □
   - Company □

Q2. In what year did you start or take over this business? _ _ _ _

Q3. In which countries do most of your overseas workers find work?

Q4. Which professions are the most popular for overseas employment?

Q5. Is your business
   - Growing □
   - Still the same □
   - Shrinking □

Q6. Do you expect the demand for your services to increase, stay the same or decrease?
   - Increase □
   - Stay the same □
   - Decrease □

PART B: Clients

Q7. a. How many people have you sent for overseas employment so far? ______
   b. What are the professions of the people you have sent abroad so far? (List the most popular first)
      1. __________________
      2. __________________
      3. __________________
      4. __________________
   c. How many people are you likely to send abroad in the next 2 years? _____

Q8. a. Do you have problems recruiting overseas workers in any of the following groups?
   - Unskilled □ Define __________________
   - Semi-skilled □ Define __________________
   - Skilled □ Define __________________
   - Clerical □ Define __________________

If Yes, which of the following best describe your recruiting problems?
   - Low skill levels □,
   - Low literacy levels □,
   - Poor attitude □,
   - Inability to pay for the required fees □,
   - Others □

Q9. What specific skills/training or job qualifications do you need these overseas workers to have?
PART C: Local Environment

Q10. Has the present political situation affected your business?
If Yes, please specify in what way it has.
__________________________________________________
__________________________________________________

PART D: Business Plans and Decisions

Q11. How much does a potential overseas worker have to pay before they go abroad?
Less than Rs.50,000 □ Please specify ________________
50,001 - 100,000□, 100,001 – 200,000□, 200,001 – 300,000□
> 300,000 □ Please specify ________________

Q12. Does the fee differ in the case of skilled, unskilled and semi-skilled workers? Yes □ No □
If Yes, by how much? ________________

PART E: Support Services

Q13. What is the most common way you recruit overseas workers?
Word of mouth □ Advertisements □ Employment agency □
Other □ Describe ________________

Q14. Do you provide training for these overseas workers?
Yes □ No □

Q15. If Yes, how long is the training? ________ days

Q16. Do you use outside trainers for this purpose?
Yes □ No □

If your answer is Yes, Who were the trainers / from which organization?
__________________________________________________________________________
__________________________________________________________________________
Toolkit for Manual Section III – Costing and Pricing Basics

Item 6: Template Costing Models

Introduction
Attached are two spreadsheets which will provide some assistance in the development of models for the costing of the various services offered by a training institution.

The models are not sophisticated. With all costing analysis there needs to be a trade off between the cost of undertaking the analysis and benefits that it would provide. Frequently the more sophisticated analysis requires a greater amount of input leading to higher costs and the benefits derived do not justify that additional cost.

The practicalities of the exercise need to be assessed fully, otherwise the costing exercise would be an expensive academic exercise with limited practical outcomes.

Enrolments
In the establishment and running of courses there are a number of aspects that need to be considered and costed.

Enrolments is one component in this process. To fully understand the cost of a course it is necessary to value each of these components. Without this knowledge any pricing decisions may well be flawed.

For an autonomous fee based training institution it is essential that costing and pricing decisions work together.

Assessments
Assessments are another essential component of any course and need to have costs allocated to the process.

The assessment process can provide substantial credibility to the course within the training institution and externally in the wider community and as such the process can be used as a strong marketing tool.

For all its benefits it is essential that there is a full understanding of the costs. This understanding leads to sound pricing decisions and is essential to the economic well being of the training institution.
Costing

Enrolment

The costs associated with the enrolments in a course are a mixture of direct and indirect costs.

There are a myriad of costs that need to be factored into any costing exercise on enrolments.
A sample of these costs are:

- Advertising and marketing costs
- Administration charges
- Student Induction
- Access and Equity

You need to be aware of the benefits of the exercise before committing too many resources (costs) to the exercise.

A basic cost model can be built around the following matrix.

<table>
<thead>
<tr>
<th>Course Name</th>
<th>Course Component</th>
<th>Cost Headings</th>
<th>Itemised Cost Headings</th>
<th>Costing Method</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enrolment Costs</td>
<td>Advertising and Marketing</td>
<td>Development of Marketing Plan</td>
<td>Direct Costs of development of marketing plan</td>
<td>Cost would be recorded in the chart of accounts under the expense category Marketing Plan for the cost centre of the course</td>
<td>Directly mapped from the chart of accounts</td>
</tr>
<tr>
<td>Direct Advertising Costs</td>
<td>Newspapers &amp; Magazines TV and Radio Brochures</td>
<td>Cost would be recorded in the chart of accounts under the expense category Advertising Costs for the cost centre of the course. The costs could be broken down into further categories if required.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Indirect Advertising Costs</strong></td>
<td>Following consultation with the department responsible for the marketing budget a proportion of the total cost not directly traced to a course would be allocated to each course. That is the entire expense budget would be allocated to profit making courses.</td>
<td>Indirect costs allocated out on an agreed formula between the department responsible for the marketing budget and the profit centres that would benefit from the plan.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Indirect Staff Costs</strong></td>
<td>A survey of the support staff in Human resources, accounting and general administration would provide a basis of allocating their costs over the various courses that the training institution ran.</td>
<td>Indirect costs allocated out on an agreed formula between the departments responsible for the staff budget and the profit centres that would benefit from the support staff.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Direct Staff Costs</strong></td>
<td>A time sheet could be prepared by Human Resources and filled out by the staff working on the enrolments. This cost can then be allocated directly to the course.</td>
<td>Directly mapped from the chart of accounts</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Other Operating Expenses</strong></td>
<td>Costs would be directly mapped to the appropriate cost centres expense category in the chart of accounts</td>
<td>Directly mapped from the chart of accounts</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Bank Fees &amp; Charges</strong></td>
<td>Costs would be directly mapped to the appropriate cost centres expense category in the chart of accounts</td>
<td>Directly mapped from the chart of accounts</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Equipment Hire</strong></td>
<td>Costs would be directly mapped to the appropriate cost centres expense category in the chart of accounts</td>
<td>Directly mapped from the chart of accounts</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Office Supplies</strong></td>
<td>Costs would be directly mapped to the appropriate cost centres expense category in the chart of accounts</td>
<td>Directly mapped from the chart of accounts</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Printing &amp; Stationery Charges</strong></td>
<td>Costs would be directly mapped to the appropriate cost centres expense category in the chart of accounts</td>
<td>Directly mapped from the chart of accounts</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Category</td>
<td>Costs Description</td>
<td>Mapping Method</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-----------------------</td>
<td>-------------------------------------------------------------------------------------------------------</td>
<td>-----------------------------------------</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Postage &amp; Courier Costs</strong></td>
<td>Costs would be directly mapped to the appropriate cost centres expense category in the chart of accounts</td>
<td>Directly mapped from the chart of accounts</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Room Hire</strong></td>
<td>Costs would be directly mapped to the appropriate cost centres expense category in the chart of accounts</td>
<td>Directly mapped from the chart of accounts</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Utilities</strong></td>
<td>Costs would be directly mapped to the appropriate cost centres expense category in the chart of accounts</td>
<td>Directly mapped from the chart of accounts</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Student Induction</strong></td>
<td><strong>Direct Staff Costs</strong> Costs of those involved in the enrolment</td>
<td>Directly mapped from the chart of accounts</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Other Operating Expenses</strong> Printing &amp; Stationery Charges</td>
<td>Directly mapped from the chart of accounts</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Access and Equity</strong></td>
<td><strong>Direct Staff Costs</strong> Costs of those involved in the enrolment</td>
<td>Directly mapped from the chart of accounts</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Other Operating Expenses</strong> Printing &amp; Stationery Charges</td>
<td>Directly mapped from the chart of accounts</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Tuition Fees</strong> Assessment Costs Graduation Costs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Course Costs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Costing Model

Assessments

The costs associated with the course assessments are a mixture of direct and indirect costs.

A sample of these costs are:

- Development Costs
- Conducting Assessments
- Room Hire
- Equipment Hire
- Supervision of Assessment Process
- Human Resources and Administration Costs

You need to be aware of the benefits of the exercise before committing too many resources (costs) to the exercise.

A basic cost model can be built around the following matrix.

<table>
<thead>
<tr>
<th>Course Name</th>
<th>Course Component</th>
<th>Cost Headings</th>
<th>Itemised Cost Headings</th>
<th>Costing Method</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessment</td>
<td>Development Costs</td>
<td>Development of Assessment Plan</td>
<td>Cost would be recorded in the chart of accounts under the expense category Development Costs or Staff Costs for the cost centre of the course</td>
<td>Directly mapped from the chart of accounts</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Direct Staff Costs</td>
<td>A survey of the support staff in Human resources, accounting and general administration would provide a basis of allocating their costs over the various courses that the training institution ran.</td>
<td>Indirect costs allocated out on an agreed formula between the departments responsible for the staff budget and the profit centres that would benefit from the support staff.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Indirect Staff Costs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Printing &amp; Stationery</td>
<td>Cost would be recorded in the chart of accounts under the expense category Printing &amp; Stationery for the cost centre of the course</td>
<td>Directly mapped from the chart of accounts</td>
<td></td>
</tr>
<tr>
<td>Assessments</td>
<td>Cost of conducting Assessments</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-------------</td>
<td>--------------------------------</td>
<td>---</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct Staff Costs</td>
<td>Cost would be recorded in the chart of accounts under the expense category Staff Costs for the cost centre of the course</td>
<td>Directly mapped from the chart of accounts</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indirect Staff Costs</td>
<td>A survey of the support staff in Human resources, accounting and general administration would provide a basis of allocating their costs over the various courses that the training institution ran.</td>
<td>Indirect costs allocated out on an agreed formula between the departments responsible for the staff budget and the profit centres that would benefit from the support staff.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Room Hire</td>
<td>Cost would be recorded in the chart of accounts under the expense category Room Hire for the cost centre of the course</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equipment Hire</td>
<td>Cost would be recorded in the chart of accounts under the expense category Equipment Hire for the cost centre of the course</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Validation and Review</th>
<th>Assessment review and validation process</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Staff Costs</td>
<td>Cost would be recorded in the chart of accounts under the expense category Staff Costs for the cost centre of the course</td>
<td>Directly mapped from the chart of accounts</td>
</tr>
<tr>
<td>Indirect Staff Costs</td>
<td>A survey of the support staff in Human resources, accounting and general administration would provide a basis of allocating their costs over the various courses that the training institution ran.</td>
<td>Indirect costs allocated out on an agreed formula between the departments responsible for the staff budget and the profit centres that would benefit from the support staff.</td>
</tr>
<tr>
<td>Description</td>
<td>Cost Recording</td>
<td>Cost Mapping</td>
</tr>
<tr>
<td>------------------------------</td>
<td>-------------------------------------</td>
<td>------------------------------</td>
</tr>
<tr>
<td>Postage &amp; Courier Charges</td>
<td>Cost would be recorded in the chart of accounts under the expense category Postage &amp; Courier for the cost centre of the course</td>
<td>Directly mapped from the chart of accounts</td>
</tr>
<tr>
<td>Printing &amp; Stationery</td>
<td>Cost would be recorded in the chart of accounts under the expense category Printing &amp; Stationery for the cost centre of the course</td>
<td>Directly mapped from the chart of accounts</td>
</tr>
</tbody>
</table>

**Total Course Costs**

-
Item 7:
Excel Survival Kit

Introduction
Excel is essentially a spreadsheet where numerous mathematical, sorting, formatting and charting functions can be performed, it electronically performs those manual functions that can take hours.

Purpose
The purpose of this paper is to provide a very limited guide to its basic features and hopefully provide those with no prior exposure to the product some helpful hints in using the files.

The Excel files are aimed at those that have not had previous exposure to Excel, with the following explanations aimed at allowing first time users to utilize these files.

The guide shows how to open, save and close a spreadsheet, additionally a number of key spreadsheet features are explained.

The explanations are not extensive, however they will allow a first time user to utilize a number of the spreadsheets.

What is included in this section?
- Spreadsheets
  In this section there is a brief description of the excel spreadsheets.
- Purpose of the Spreadsheets
  In this section we cover why the spreadsheets have been created.
- Description of Excel files
  In this section there is a brief outline of the five Excel files on the CD-ROM and what is the purpose of each file

Excel Spreadsheets
Included on the website is a link to five Excel files. We chose the Microsoft Excel as it is arguably the most recognisable worldwide spreadsheet product on the market.

This is not to say that any one of a myriad of spreadsheet products can not be utilized to create the same solutions. The concepts across the various spreadsheet products are essentially the same and any of the models provided could easily be replicated in any of the other software packages.

Purpose of the Spreadsheets
The aim here is to introduce those that are not currently users of automated systems to the benefits associated with using automated programs. Some of the concepts covered in the files are very subjective and at no time is it suggested that the solutions put forward are the sole correct course of action.

The aim is to assist new users or unsophisticated users with a prompt to assist them in their work environments.

Additionally it was found that some institutions were not familiar with a chart of accounts and the accounting concepts involved. Excel is used as the medium to
describe a number of the concepts. Once again there are numerous specialised software products across regions that are more suitable than the basic tools that are provided here. However, the aim of the exercise is to assist novice users to see the benefits associated with having an accounting structure in place in order that they may be able to improve their own work environments.

**Target Audience**
The target audience is novice or new users of automated software packages.

**Opening an Excel File**
To open an Excel file click on the File tab at the top of the page.
Then proceed to select the file that you wish to open.

*Short cut - The bottom of the opened dialogue box displays the last four excel files that have been opened, click on the appropriate file you want open.*
Where the file required is not displayed at the bottom of the dialogue box, click on the open command at the top of the dialogue box and the following screen will appear.

This shows the directory and the various files within that directory. Move the cursor, highlight the file required and then click on the file required. The analogy is manually going to a filing cabinet opening a file and selecting the relevant worksheet.

The process is exactly the same in Excel, the directory is where the worksheet is stored, the file within the filing cabinet is the equivalent of the Excel file and when that file is open you then proceed to access the appropriate worksheet.

**Open file**

Once the file is opened the following screen will appear.

This is the basic excel format. The spreadsheet works on a matrix of cells with each cell being able to perform the various tasks permitted within the software package.

The file name is at the top of the sheet in this example VET – Cashbook. This confirms the fact that this is the file that you actually want opened.
Save File
When the pages have been adjusted the formats need to be saved. Once again choose the save command under file and ensure that this is the file name you wish to save it under and then hit enter. Once the data has been saved any overwrites prior to the save cannot be accessed. It is essential that care be taken with this command.

Menu Features
The main features to be aware of are:

- The menu bar at the top of the screen allows you to access and format the data within the spreadsheet
- The tool bars under the menu items are another way of accessing the various excel functions
- The cursor is currently positioned at cell A1 and this is shown at the top left-hand side of the screen. To the right of near the top of the screen is what is actually recorded within this cell A1, that is “Income and Expenditure Statement”
- The tabs at the bottom of the screen are the pages within the worksheet Clicking on tab of the page you require allows you to access these pages
- The arrows to the left of the tabs allow you to move to the right or left along the tabs. It is possible to have up to sixty tabs. That is it is possible to have up to sixty pages
- The arrows next to the tab arrows allow you to move to the right or left within the page selected
• The arrows along the far right hand side of the page moves the screen from top to bottom
• There are over 65,000 rows and over 200 columns
• The boxes on the far top right hand side are short cuts to either close the page (X) partially minimize or totally minimize the page.

Close File
Once again, once the data has been saved select the close file and this will close down the file. This is the same as per the previous analogy of closing the draw of the filing cabinet.

If the data is not saved and the file is closed any adjustments made to the file that have been made will not automatically be saved. There is an edit check within the close command where a screen prompt will ask if you wish to save the data.

Formatting the spreadsheet
Edit
This allows the user to cut information from one cell to another or copy the information.

Here you position the cursor in the cell or area that you want to copy, select the edit command, within this command select copy, move the cursor to the cell that
you want the data to be copied, select paste and hit the enter and the result will appear.

The sequence is as follows:

- Place the cursor in the cell or cells of that information you want copied.
- Select the Edit command.
- Choose the copy command, a dotted moving box will cover the area that is to be copied.
- Move the cursor to the cell where you wish the copied data to be entered and select paste from the edit command.
- Rather than copy one cell you can copy an area.
- To select the area hold the shift key and move the cursor by using the arrow keys on the keyboard. The area will be highlighted, proceed with the sequence as outlined above.
- The paste special command works along the same lines however is more sophisticated and allows for more specific data copying.

**View**

The view function allows you to format the page. In addition the various tool bars can be chosen to appear on the excel page. In this example three tool bars, Standard, Formatting and Drawing are all ticked and as a result appear on the screen.
**Insert**
The insert function allows you to format the page in the manner that you want. If you wish to insert a cell place the cursor on the cell you wish to reformat, select Cells and then choose the option that you wish. That is you may move the cell down or to the right or you may insert a row or column.

The strength of Excel is that it is an exceptionally robust software package. Do not hesitate to experiment. If in doubt use the Esc key and this will override your command default back to the original screen.

![Microsoft Excel - Book1](image)

**Format**
Using the format function, cells, columns and rows can be customised to specific requirements. For example, a range of cells can be formatted to accept currency values. Others could be formatted to accept dates.

The sequence for formatting cells is as follows:

- Select format from the menu bar.
- Click on cells in the drop down dialogue box.
- The options as per the following screen print appear. Select the task that you wish to perform.
- Scrolling across the various tabs in the dialogue box does this.

This is the command that allows you to create a very professional presentation by creating borders, different patterns within the spreadsheet for emphasizing data, aligning the data to create a more readable format and so on.
Tools
The most common usage here is the spell check. This command provides you with both grammatical and spelling checks. Once again from a professional point of view this is an invaluable command as it eliminates basic errors that can creep into presentations from time to time.
Data

For first time users these commands appear relatively sophisticated, however the same principles apply, select the command you wish to perform and follow the prompts.

An example of the functions that are covered here is the sorting of data. It can be sorted into ascending or descending order and this can be applied to numerical as well as alphabetical data.
Data Input
As discussed each page is a matrix of cells.
In each cell information can be entered.
The amount of data to be recorded in each cell is up to the user and is dependent on the users’ skill and Excel knowledge.
To enter data, select the cell and commence typing.
The templates on the CD-ROM provide examples of how spreadsheets can be utilized.
Help
This is as the name suggests the help command, a very useful tool.

There is a search engine and a very comprehensive guide to assist in the use of Excel.

For new users of Excel it is a powerful tool which can be self-taught with patience. It is a very robust software package so a new user can experiment safe in the knowledge that no damage will be done.

The time savings and subsequent cost savings will be worth the time investment required to master Excel.
Item 8:  
**VET Templates Chart of Accounts**

**Introduction**

Attached is a full chart of accounts that may be suitable for a training institution.

This report is aimed at new users to automated systems and provides a basic structure for a full chart of accounts for a training institution. For new users to Excel the attached Excel guide will provide some assistance in navigating the spreadsheets.

**Instructions:**

**Tab names**

**Chart of Accounts Listing**  
A full listing suitable for a training institution is provided.

**Notes to the Chart of Accounts**  
A brief description is provided of some of the account classifications.  
This is meant only as a guide to new users.

**Chart of Accounts Template**  
The chart of accounts template is suitable for those training institutions that may not have access to an accounting software package.

It is intended as an introduction to an automated system and should only be viewed as such.
## Chart of Accounts

### As At (date)

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-0000</td>
<td>Assets</td>
<td></td>
</tr>
<tr>
<td>1-1000</td>
<td>Current Assets</td>
<td></td>
</tr>
<tr>
<td>1-1100</td>
<td>Cash on Hand</td>
<td></td>
</tr>
<tr>
<td>1-1110</td>
<td>Cheque Account</td>
<td></td>
</tr>
<tr>
<td>1-1120</td>
<td>Payroll Cheque Account</td>
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</tr>
<tr>
<td>1-1130</td>
<td>Cash Drawer</td>
<td></td>
</tr>
<tr>
<td>1-1160</td>
<td>Investment Account</td>
<td></td>
</tr>
<tr>
<td>1-1170</td>
<td>Petty Cash</td>
<td></td>
</tr>
<tr>
<td>1-1190</td>
<td>Electronic Clearing Account</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total Cash On Hand</td>
<td></td>
</tr>
<tr>
<td>1-1200</td>
<td>Trade Debtors</td>
<td></td>
</tr>
<tr>
<td>1-1210</td>
<td>Less Provision for Doubtful Debts</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total Nett Trade Debtors</td>
<td></td>
</tr>
<tr>
<td>1-1300</td>
<td>Total Inventory</td>
<td></td>
</tr>
<tr>
<td>1-1310</td>
<td>General Inventory</td>
<td></td>
</tr>
<tr>
<td>1-1320</td>
<td>Bookshop Inventory</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total Inventory</td>
<td></td>
</tr>
<tr>
<td>1-1400</td>
<td>Investments &lt; 12 months</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total Current Investments</td>
<td></td>
</tr>
<tr>
<td>1-2000</td>
<td>Other Assets</td>
<td></td>
</tr>
<tr>
<td>1-2100</td>
<td>Deposits Paid</td>
<td></td>
</tr>
<tr>
<td>1-2200</td>
<td>Prepayments</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total Other Assets</td>
<td></td>
</tr>
<tr>
<td>1-1300</td>
<td>Non Current Assets</td>
<td></td>
</tr>
<tr>
<td>1-3100</td>
<td>Classroom Equipment</td>
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</tr>
<tr>
<td>1-3110</td>
<td>Classroom Equipment at Cost</td>
<td></td>
</tr>
<tr>
<td>1-3120</td>
<td>Classroom Equipment Accumulated</td>
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</tr>
<tr>
<td></td>
<td>Written Down Value Classroom Equipment</td>
<td></td>
</tr>
<tr>
<td>1-3150</td>
<td>Laboratory Equipment</td>
<td></td>
</tr>
<tr>
<td>-----------------</td>
<td>----------------------</td>
<td></td>
</tr>
<tr>
<td>1-3160</td>
<td>Laboratory Equipment at Cost</td>
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</tr>
<tr>
<td>1-3170</td>
<td>Laboratory Equipment Accumulated Depreciation</td>
<td></td>
</tr>
<tr>
<td>1-3150</td>
<td>Written Down Value Laboratory Equipment</td>
<td></td>
</tr>
<tr>
<td>1-3200</td>
<td>Office Equipment</td>
<td></td>
</tr>
<tr>
<td>1-3210</td>
<td>Office Equipment at Cost</td>
<td></td>
</tr>
<tr>
<td>1-3220</td>
<td>Office Equipment Accumulated Depreciation</td>
<td></td>
</tr>
<tr>
<td>1-3200</td>
<td>Written Down Value Office Equipment</td>
<td></td>
</tr>
<tr>
<td>1-3300</td>
<td>Motor Vehicles</td>
<td></td>
</tr>
<tr>
<td>1-3310</td>
<td>Motor Vehicles at Cost</td>
<td></td>
</tr>
<tr>
<td>1-3320</td>
<td>Motor Vehicles Accumulated Depreciation</td>
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<td>Written Down Value Motor Vehicles</td>
<td></td>
</tr>
<tr>
<td>1-3400</td>
<td>School Buildings</td>
<td></td>
</tr>
<tr>
<td>1-3410</td>
<td>School Buildings at Cost</td>
<td></td>
</tr>
<tr>
<td>1-3420</td>
<td>School Buildings Accumulated Depreciation</td>
<td></td>
</tr>
<tr>
<td>1-3400</td>
<td>Written Down Value Motor Vehicles</td>
<td></td>
</tr>
<tr>
<td>1-3500</td>
<td>Land</td>
<td></td>
</tr>
<tr>
<td>1-4000</td>
<td>Fund Accounts</td>
<td></td>
</tr>
<tr>
<td>1-4100</td>
<td>Building Fund Account</td>
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</tr>
<tr>
<td>1-4200</td>
<td>Computer Fund Account</td>
<td></td>
</tr>
<tr>
<td>1-4300</td>
<td>Library Fund Account</td>
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</tr>
<tr>
<td>1-4500</td>
<td>Sport Fund Account</td>
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**Total Funds Accounts**

**Total Non Current Assets**

**Total Assets**

<table>
<thead>
<tr>
<th>2-0000</th>
<th>Liabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>2-1000</td>
<td>Current Liabilities</td>
</tr>
<tr>
<td>2-1000</td>
<td>Credit Cards</td>
</tr>
<tr>
<td>2-1100</td>
<td>MasterCard</td>
</tr>
<tr>
<td>2-1110</td>
<td>Visa Card</td>
</tr>
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</table>

**Total Credit Cards**

<table>
<thead>
<tr>
<th>2-1200</th>
<th>Trade Creditors</th>
</tr>
</thead>
<tbody>
<tr>
<td>2-1300</td>
<td>Payroll Liabilities</td>
</tr>
<tr>
<td>2-1310</td>
<td>Payroll Accruals Payable</td>
</tr>
<tr>
<td>2-1320</td>
<td>Payroll Tax Payable</td>
</tr>
<tr>
<td>Total Payroll Liabilities</td>
<td></td>
</tr>
<tr>
<td>-----------------------------------</td>
<td></td>
</tr>
<tr>
<td>2-1400 Student Tuition Deposits</td>
<td></td>
</tr>
<tr>
<td>2-1500 Accrued Expenses</td>
<td></td>
</tr>
<tr>
<td>2-1600 Other Current Liabilities</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Current Liabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>2-2000 Non Current Liabilities</td>
</tr>
<tr>
<td>2-2100 Bank Loans &gt; 12 months</td>
</tr>
<tr>
<td>2-2200 Other Long Term Liabilities</td>
</tr>
<tr>
<td>2-3000 Provisions</td>
</tr>
<tr>
<td>2-3100 Provision for Long Service Leave</td>
</tr>
<tr>
<td>2-3200 Provision for Annual Leave</td>
</tr>
<tr>
<td>2-3300 Accrued Expenses</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Provisions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2-3000 Provisions</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th>Total Non-Current Liabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>2-2000 Non Current Liabilities</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Liabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>3-0000 Equity</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>3-1000 Equity Funds Held</td>
</tr>
<tr>
<td>3-2000 Reserves</td>
</tr>
<tr>
<td>3-2100 Capital Project Reserve</td>
</tr>
<tr>
<td>3-2200 Asset Revaluation Reserve</td>
</tr>
<tr>
<td>3-2300 Scholarship Fund</td>
</tr>
<tr>
<td>3-2400 School Prizes Fund</td>
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</table>

<table>
<thead>
<tr>
<th>Total Reserves</th>
</tr>
</thead>
<tbody>
<tr>
<td>3-3000 Accumulated Funds</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>3-4000 Profit/Loss for Year</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Nett Assets</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Total Nett Assets</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Total Equities</th>
</tr>
</thead>
<tbody>
<tr>
<td>3-4000 Profit/Loss for Year</td>
</tr>
<tr>
<td>Income</td>
</tr>
<tr>
<td>----------------</td>
</tr>
<tr>
<td>4-0000 Income</td>
</tr>
<tr>
<td>4-1000 Tuition Fees</td>
</tr>
<tr>
<td>4-2000 Fundraising Income</td>
</tr>
<tr>
<td>4-3000 Grants</td>
</tr>
<tr>
<td>4-3010 Offshore Grant</td>
</tr>
<tr>
<td>4-3020 Local Government Grants</td>
</tr>
<tr>
<td>Total Grants Income</td>
</tr>
<tr>
<td>4-3500 Donations</td>
</tr>
<tr>
<td>4-3510 Bequests</td>
</tr>
<tr>
<td>4-3520 Donations - Tax Deductible</td>
</tr>
<tr>
<td>4-3530 Donations - Non-Deductible</td>
</tr>
<tr>
<td>Total Donations</td>
</tr>
<tr>
<td>4-3600 Investment Income</td>
</tr>
<tr>
<td>4-3700 Delivery Fees Collected</td>
</tr>
<tr>
<td>4-4000 Bookshop Trading</td>
</tr>
<tr>
<td>4-4010 Bookshop Sales</td>
</tr>
<tr>
<td>4-4020 Less Bookshop Cost of Sales</td>
</tr>
<tr>
<td>4-4030 Less Bookshop Wages</td>
</tr>
<tr>
<td>4-4090 Less Bookshop Sundry Expenses</td>
</tr>
<tr>
<td>Total Bookshop Income</td>
</tr>
<tr>
<td>4-5000 Fee For Service</td>
</tr>
<tr>
<td>4-6000 Room Hire</td>
</tr>
<tr>
<td>4-7000 Sale of Products</td>
</tr>
<tr>
<td>4-9999 Miscellaneous Income</td>
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<td>Total Income</td>
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<table>
<thead>
<tr>
<th>Cost of Sales</th>
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<tbody>
<tr>
<td>5-0000 Cost of Sales</td>
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</tr>
<tr>
<td>5-1000 Freight</td>
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<tr>
<td>Total Cost Of Sales</td>
<td>-</td>
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### Direct Operating Expenses

<table>
<thead>
<tr>
<th>6-0000 Expenses</th>
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</tr>
</thead>
<tbody>
<tr>
<td>6-1000 Purchases</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6-1100 Fundraising Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6-1200 Advertising</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6-1300 Classroom Supplies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6-1400 Depreciation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6-1600 Dues &amp; Subscriptions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6-1700 Insurance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6-1800 Interest</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6-1900 Late Fees Paid</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6-2000 Professional Fees</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6-2010 Legal Fees</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6-2020 Accounting Fees</td>
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<td></td>
</tr>
<tr>
<td><strong>Total Professional Fees</strong></td>
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<td></td>
</tr>
<tr>
<td>6-2100 License Fees</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6-2200 Repairs &amp; Maintenance Fees</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6-2300 Office Supplies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6-2400 Postage, Shipping &amp; Courier</td>
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<tr>
<td>6-2500 Employment Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6-2510 Wages &amp; Salaries</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6-2511 Salaries - Teachers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6-2512 Salaries - Teachers Aides</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6-2512 Salaries - Administration</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6-2512 Salaries - Management</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6-2520 Superannuation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6-2530 Workers Compensation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6-2540 Staff Amenities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6-2550 Other Employment Expenses</td>
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</tr>
<tr>
<td><strong>Total Employment Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6-2600 Communication Expenses</td>
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<td></td>
</tr>
<tr>
<td>6-2610 Telephone charges - Local</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6-2620 Telephone charges - International</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6-2630 Mobile Phone Expenses</td>
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<td></td>
</tr>
<tr>
<td>6-2640 Internet Expenses</td>
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<td></td>
</tr>
<tr>
<td><strong>Total Communication Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6-2700 Travel &amp; Entertainment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6-2710 Local Air Travel &amp; Accommodation &amp; Meals</td>
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<td></td>
</tr>
<tr>
<td>6-2720 International Travel &amp; Accommodation &amp; Meals</td>
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<td></td>
</tr>
<tr>
<td>6-2730 Entertainment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6-2740 Local Travel (Taxis, Bus, Hire Car)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Code</td>
<td>Description</td>
<td>Amount</td>
</tr>
<tr>
<td>--------</td>
<td>---------------------------</td>
<td>--------</td>
</tr>
<tr>
<td>6-2800</td>
<td>Total Travel &amp; Entertainment</td>
<td>-</td>
</tr>
<tr>
<td>6-2810</td>
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<td>6-2820</td>
<td>Gas</td>
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<td>6-2830</td>
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<tr>
<td>6-2900</td>
<td>Staff Training</td>
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<td>Total Expenses</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Total Profit/Surplus or Loss/Deficit</td>
<td>-</td>
</tr>
</tbody>
</table>
Item 9:  
**Template Cashbook**

**Introduction**
The following worksheets provide a template for the construction of a profit and loss report. Other income and expense categories can be added, however the profit and loss needs to be adjusted to cover this.

**Instructions:**

**Wages Book**
Records the hours worked by the staff within the department. As per a manual time book the hours for each staff member are recorded.

**Staff Wages Calculation**
Calculations of staff wages are performed based upon the hours recorded in the wages book.

**Staff Cost Summary**
Follows on from the previous worksheet and summarises the data for inclusion into the Profit & Loss report.

**Receipts/Income**
The profit and loss report is a schedule which records the income and expenses for a period of time. On a daily basis the receipts are recorded and categorised as per the income categories. The spreadsheet automatically totals the categories and links directly to the profit and loss report.

**Disbursements/Expenses**
The profit and loss report is a schedule which records the income and expenses for a period of time. On a daily basis the disbursements are recorded and categorised as per the expense categories. The spreadsheet automatically totals the categories and links directly to the profit and loss report.
# PROFIT AND LOSS REPORT

(Income and Expenditure Statement)

**For the Period Ended**

## Income

### 4-0000 Income

<table>
<thead>
<tr>
<th>Code</th>
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<tbody>
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<td>4-2000</td>
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<td>4-3000</td>
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<td>Tuition Fees</td>
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<tr>
<td>4-5000</td>
<td>Miscellaneous Income</td>
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**Total Income**

\[30,325.00\]

## Direct Operating Expenses

### 6-0000 Expenses

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<td>Bank Fees &amp; Charges</td>
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<tr>
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<td>Classroom Supplies</td>
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<td>6-1300</td>
<td>Communication Expenses</td>
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<td>6-1400</td>
<td>Depreciation</td>
<td>-</td>
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<tr>
<td>6-1600</td>
<td>Insurance</td>
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<td>6-1700</td>
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<td>6-2000</td>
<td>Postage &amp; Courier</td>
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<td>6-2100</td>
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<td>6-2200</td>
<td>Repairs &amp; Maintenance Fees</td>
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<td>6-2300</td>
<td>Travel Expenses</td>
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<td>6-2400</td>
<td>Utility Charges</td>
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**Total Operating Expenses**

\[2,900.00\]

### 6-2500 Employment Expenses

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<td>Wages &amp; Salaries</td>
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<tr>
<td>6-2550</td>
<td>Other Employment Expenses</td>
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**Total Employment Expenses**

\[1,636.88\]

**Total Expenses**

\[4,536.88\]

**Total Profit/Surplus or (Loss)/(Deficit)**

\[25,788.13\]
## Wages Book

### Time Sheet

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<th>Tuesday</th>
<th>Wednesday</th>
<th>Thursday</th>
<th>Friday</th>
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<td></td>
<td>Time</td>
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<td>Time</td>
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<tr>
<td></td>
<td>Start</td>
<td>Lunch</td>
<td>Break</td>
<td>Finish</td>
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<td>Week ending 07-01-2005</td>
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- **Input Field**
- **Calculated Fields**

**Legend**

- **Input Field**
- **Calculated Fields**
### STAFF WAGES CALCULATION

**Weekly Wages Calculation Schedule**

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<tr>
<th>Week Ending</th>
<th>Pay Rate Per Hour</th>
<th>Number of Standard Hours Worked per week</th>
<th>Gross Wages</th>
<th>Overtime Rate per hour</th>
<th>Overtime Payment</th>
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**Legend**

- **Input Field**
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- **Calculated Field**
# STAFF COST SUMMARY

## Employment Costs

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<th>Gross Wages &amp; Salaries</th>
<th>Taxes</th>
<th>Net Wages &amp; Salaries</th>
<th>Other Employment Costs</th>
<th>Comment</th>
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<td>3/01/2005</td>
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<tr>
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<td>1,561.468.56</td>
<td>1,093.31</td>
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<td>Gross Wages &amp; Salaries: Imported from Staff Wages Calculation worksheet</td>
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<td>Taxes: Assumed rate of 30%, this will vary from region to region</td>
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**Legend**

- **Input Fields**
- **Imported Field**
- **Calculated Fields**
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<thead>
<tr>
<th>Date</th>
<th>Gross Wages &amp; Salaries</th>
<th>Taxes</th>
<th>Net Wages &amp; Salaries</th>
<th>Other Employment Costs</th>
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<td><strong>468.56</strong></td>
<td><strong>1,093.31</strong></td>
<td><strong>75.00</strong></td>
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</table>
## Receipts / Income

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<th>Date</th>
<th>Customer</th>
<th>Receipts Advice Details</th>
<th>Receipts Value</th>
<th>Donation</th>
<th>Grants</th>
<th>Income</th>
<th>Fees</th>
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</thead>
<tbody>
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<td>1/01/2005</td>
<td>M Kahn</td>
<td>Tuition Fees - Metallurgy 001</td>
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<td>Tuition Fees - Home Economics 010</td>
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### Disbursements / Expenses

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<th>Advertising Expenses</th>
<th>Bank Fees &amp; Charges</th>
<th>Classroom Supplies</th>
<th>Communication Expenses</th>
<th>Depreciation Expenses</th>
<th>Insurance</th>
<th>Interest</th>
<th>Office Supplies</th>
<th>Printing &amp; Stationery</th>
<th>Postage &amp; Courier</th>
<th>Professional Fees</th>
<th>Maintenance &amp; Repairs &amp; Expenses</th>
<th>Travel Expenses</th>
<th>Utility Expenses</th>
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<td>T Chan</td>
<td>Supply of stationery</td>
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<td>Federation Bank</td>
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<td>The Local Taxi Coy</td>
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</tbody>
</table>
Item 10: **Steps in Calculating Training Room Rental Using the Depreciation Model**

For hiring a room to an outside organization or for an institution costing the use of their own room.

**Step 1 Building Valuation**
- Check construction costs or
- Get a quote on replacement cost of the building

**Step 2 Determine Depreciation**
- Verify the annual rate of depreciation
- Check government tax laws on depreciation

**Step 3 Apportion Depreciation**
- Apportion the depreciation for training rooms, monthly, weekly, daily costs
- Reviewed annually

Training Course Budgets when presented to funding agencies for financing should contain all direct and indirect costs, as these represent the full cost of the course. The cost of providing the training room is an indirect cost that does not directly correlate to any specific activity or course, however, an appropriate cost for the use or “hire” of the room should be charged against each activity or course.

These costs can be calculated for:
- Privately owned institutions
- Government or community owned institutions.
There are two methods to calculate the cost:

i. **Depreciation Method**

The value of the room could be calculated as a percentage of usage of the full-depreciated value of the building.

**STEP 1**

Determine the value of the building (replacement value of the building).

This can be determined by:

- Checking construction costs or
- If these costs are not available, getting a builder or valuer to quote on the replacement cost of the building.

**STEP 2**

- Determine the amount of depreciation.
- This may be specified in the countries tax laws. eg 3% per annum

**STEP 3**

Apportion the total depreciation for the year.

Example:

A training room is used to conduct a literacy training course for disadvantaged young people for 4 weeks, financed by UNESCO. There are 4 other training rooms plus office and administration areas in the institution.

The subject training room occupies 10% of the total internal space of the institution.

The training institution is valued at $500,000

3% (depreciation) of $500,000 = $15,000 (pa)

Training Room 10% of $15,000 = $1,500

1/12 (4 weeks) of $1,500 = $125

ie $125 cost for 4 weeks of use

ii. **Market Value Method**

This is the most likely method of calculating the cost of the room and equipment. (If costly equipment is provided, eg computers, the rent will be higher, the depreciation value of the computers could also be calculated).

When considering Market Value the following needs to be taken into consideration:

- The availability and cost of similar facilities
- Available rental information ie a renting or real estate agency may have rates for commercial rent
- The length of availability of other training rooms ie it may not be possible to rent other rooms for extended periods
- Varying rental rates eg institutions may give concessional rates to NGO’s
Costs associated with room rental (e.g., electricity, cleaning, administration) need to be calculated. If there is a competitive market for training rooms, Market Value is likely to be the method used to calculate cost and price. NOTE: Most training institutions will use the current Market Value when calculating training room rental costs.

**TRAINING ROOM RENTAL TEMPLATE**

**DEPRECIATION METHOD**

Annual Depreciation Value = Total Value x depreciation %

<table>
<thead>
<tr>
<th>Training Room Number</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training Room Area</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Proportion of Total Building</td>
<td>X%</td>
<td>X%</td>
<td>X%</td>
<td>X%</td>
</tr>
<tr>
<td>Annual depreciation value x proportion of total building %</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Monthly (÷12)</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Weekly (÷52)</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Daily (÷365)</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>

**Equipment**

<table>
<thead>
<tr>
<th></th>
<th>Computer</th>
<th>TV/Video</th>
<th>Overhead Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Depreciation Value</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monthly</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Weekly</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Daily</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Eg**

Total Value of Building = $400,000  
Training Room Area = 80 square metres (20% of Total Area)  
Annual Depreciation Rate 6%  
Annual Depreciation Value = $24,000  
$400,000 x 6% x 20% = $4,800 per annum

**Eg**  
Computer depreciated at 60% pa  
Cost price $6,000  
Depreciated Value pa = $3,600  
Monthly = $300  
Weekly = $69  
Daily = $10
Item 11:  
**Template Fixed Asset Register**

**Introduction**

**Fixed Asset Register**

There are numerous software packages available for tracking fixed assets and the subsequent calculation of the depreciation charge. The building of a relatively simple model in Microsoft Excel should also provide a suitable outcome. Outlined below is a suggested model:

<table>
<thead>
<tr>
<th>Description</th>
<th>Purchase Date</th>
<th>Cost AUD$</th>
<th>Additions</th>
<th>Opening WDV</th>
<th>Ann Dep</th>
<th>Dep Rate</th>
<th>Closing WDV</th>
<th>Accum Dep</th>
</tr>
</thead>
<tbody>
<tr>
<td>Toyota XX</td>
<td>31/12/2002</td>
<td>10,000</td>
<td></td>
<td>8,000</td>
<td>2,000</td>
<td>20%</td>
<td>6,000</td>
<td>4,000</td>
</tr>
<tr>
<td>Mazda YY</td>
<td>31/12/2002</td>
<td>20,000</td>
<td></td>
<td>16,000</td>
<td>4,000</td>
<td>20%</td>
<td>12,000</td>
<td>8,000</td>
</tr>
<tr>
<td>Toyota ZZ</td>
<td>01/01/2004</td>
<td>10,000</td>
<td></td>
<td>2,000</td>
<td></td>
<td>20%</td>
<td>8,000</td>
<td>2,000</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>30,000</td>
<td>10,000</td>
<td>24,000</td>
<td>8,000</td>
<td></td>
<td>26,000</td>
<td>14,000</td>
</tr>
</tbody>
</table>

**Financial Control Schedule**

- Prior Year WDV 31/12/2003 AUD$ 24,000
- + Additions Year ending 31/12/2004 10,000
- (-) Current Year Depreciation 31/12/2004 (8,000)

**Total Assets 31/12/2004** 26,000

This should reconcile to what is booked on the general ledger under Fixed Assets Motor vehicles.

<table>
<thead>
<tr>
<th>General Ledger 31/12/2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed Assets</td>
</tr>
<tr>
<td>Accumulated Depreciation</td>
</tr>
<tr>
<td><strong>Closing WDV 31/12/2004</strong></td>
</tr>
</tbody>
</table>

26,000

The depreciation amount reflects the expense booked in the general ledger for the 31/12/04. Once again the worksheet should reflect what is booked on the general ledger. A new worksheet needs to be created for each asset category and the register provides the sub-ledger that substantiates the entry on the general ledger.
A manual schedule can be created along the same lines as discussed above. The important point is that you need to keep an itemised listing of all the assets that are classified as non current and as a result attract a depreciation charge. The following worksheets provide a template for recording fixed assets and a mechanism for the calculation of the depreciation charge. There are numerous off the shelf software packages specifically geared to fixed assets, however, for the large number of training institutions an excel spreadsheet would be sufficient.

The spreadsheet is aimed at users new to an automated system and the accompanying Excel instructions should provide some assistance in working your way through the models.

**Instructions**

**Tab Names**

**Template**
The template discusses the information requirements that are required to build an adequate fixed asset register

**Depreciation Methods**
Two popular depreciation methods are discussed. Included are examples of both methods.

**Example of Template**
A fully worked example of a depreciation schedule is shown.
This worksheet can be copied and the training institutions true fixed asset register data substituted.

**Financial Controls**
As the fixed asset register is a support document for those assets that are booked on the general ledger there are a number of financial controls that need to be implemented to ensure the ongoing accuracy of the data being recorded.

A suggested format highlights these controls:
Entity
Asset Classification: The General Ledger Description of the asset that is being depreciated.
Period: Signifies the time frame that the asset is being depreciated over.

<table>
<thead>
<tr>
<th>Asset Code</th>
<th>Description</th>
<th>Private Use %</th>
<th>Acquisition (Disposal) Date</th>
<th>Original Cost</th>
<th>Opening Written Down Value (WDV)</th>
<th>Additions (Disposals)</th>
<th>Profit (Loss) On Sale</th>
<th>Depreciation %</th>
<th>Depreciation Method</th>
<th>YTD Depreciation</th>
<th>Closing WDV</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>B</td>
<td>C</td>
<td>D</td>
<td>E</td>
<td>F</td>
<td>G</td>
<td>H</td>
<td>I</td>
<td>J</td>
<td>K</td>
<td>L</td>
</tr>
</tbody>
</table>

Each asset should have a Code/number assigned to it for easy identification. A full description will further identify the asset. Asset serial number, make and full description should be included here.

Signifies the amount of private use. Depreciation is calculated on income producing assets of the organization. If the asset is used for both private and company use this allocation is recorded here.

Record the purchase or disposition date in this field. The purchase cost of the asset is recorded in this field. This is a calculated field, represents the closing WDV of the previous period. Additional purchases or disposals during the current period are recorded in this field.

The accounting profit or loss is recorded here. This figure is the sale price less the WDV of the asset. The percentage rate that is applied to calculate the depreciation charge. This is the effective life calculated as a percentage.

There are two main methods of depreciation: Prime Cost or Diminishing Value (Examples on next tab).

Calculated field

\[ \text{Prime Cost} = \frac{E-F \times I}{L} \]

\[ \text{Diminishing Value} = \frac{F \times I}{L} \]

Calculated field

\[ \text{Prime Cost} = \frac{E-F \times I}{L} \]

\[ \text{Diminishing Value} = \frac{F \times I}{L} \]
**DEPRECIATION METHODS**

Example of Prime Cost Depreciation Method

<table>
<thead>
<tr>
<th>Asset Code</th>
<th>Description</th>
<th>Private Use %</th>
<th>Acquisition (Disposal) Date</th>
<th>Original Cost</th>
<th>Opening Written Down Value (WDV)</th>
<th>Additions (Disposals)</th>
<th>Profit (Loss) On Sale</th>
<th>Depreciation %</th>
<th>Depreciation Method</th>
<th>YTD Depreciation</th>
<th>Closing WDV</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Fax Machine</td>
<td>1-Jul-02</td>
<td>1,000.00</td>
<td>800.00</td>
<td></td>
<td></td>
<td></td>
<td>20</td>
<td>Prime Cost</td>
<td>200.00</td>
<td>600.00</td>
</tr>
</tbody>
</table>

**Comment:** The prime cost depreciation method is a straight line method of depreciation where the cost to the company in the decline in value of the asset is viewed as being evenly spread over the effective life. In the above example the assumed effective life is five years. The decline in value of the asset as represented by the depreciation charge is 20% per annum of the original cost price. That is over a five year period the written down value would be reduced to zero. The written down value represents the accounting value of the asset.
**Example of Diminishing Value Depreciation Method**

**Asset Classification: Plant & Equipment - at Cost**

<table>
<thead>
<tr>
<th>Period</th>
<th>Asset Code</th>
<th>Description</th>
<th>Acquisition (Disposal) Date</th>
<th>Original Cost</th>
<th>Opening Written Down Value (WDV)</th>
<th>Additions (Disposals)</th>
<th>Profit (Loss) On Sale</th>
<th>Depreciation %</th>
<th>Depreciation Method</th>
<th>YTD Depreciation</th>
<th>Closing WDV</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1</td>
<td>1</td>
<td>Fax Machine</td>
<td>1-Jul-02</td>
<td>1,000.00</td>
<td>1,000.00</td>
<td></td>
<td></td>
<td>30</td>
<td>Prime Cost</td>
<td>300.00</td>
<td>700.00</td>
</tr>
<tr>
<td>Year 2</td>
<td>1</td>
<td>Fax Machine</td>
<td>1-Jul-02</td>
<td>1,000.00</td>
<td>700.00</td>
<td></td>
<td></td>
<td>30</td>
<td>Prime Cost</td>
<td>210.00</td>
<td>490.00</td>
</tr>
<tr>
<td>Year 3</td>
<td>1</td>
<td>Fax Machine</td>
<td>1-Jul-02</td>
<td>1,000.00</td>
<td>490.00</td>
<td></td>
<td></td>
<td>30</td>
<td>Prime Cost</td>
<td>147.00</td>
<td>343.00</td>
</tr>
<tr>
<td>Year 4</td>
<td>1</td>
<td>Fax Machine</td>
<td>1-Jul-02</td>
<td>1,000.00</td>
<td>343.00</td>
<td></td>
<td></td>
<td>30</td>
<td>Prime Cost</td>
<td>102.90</td>
<td>240.10</td>
</tr>
<tr>
<td>Year 5</td>
<td>1</td>
<td>Fax Machine</td>
<td>1-Jul-02</td>
<td>1,000.00</td>
<td>240.10</td>
<td></td>
<td></td>
<td>30</td>
<td>Prime Cost</td>
<td>72.03</td>
<td>168.07</td>
</tr>
</tbody>
</table>

**Comment:** Under the diminishing value method the cost to the company of the decline in value of the asset is viewed as being a higher cost in the early years that the asset is held. This is perhaps a more realistic view where the higher cost to the company are recorded in the early years of the assets usage. On purchase, new assets tend to be used more extensively and over the years as wear and tear on the asset sets in breakdowns and damage tends to reduce the efficiency of the asset. As a result the cost to the company in the decline in the value of the asset is recognised in the early years during the time when the asset is at its most efficient.
# Example of Template

**Asset Classification:**

**Period** Full Financial Year 2003-2004

<table>
<thead>
<tr>
<th>Asset Code</th>
<th>Description</th>
<th>Private Use %</th>
<th>Acquisition (Disposal) Date</th>
<th>Original Cost</th>
<th>Opening Written Down Value (WDV)</th>
<th>Additions (Disposals)</th>
<th>Profit (Loss) On Sale</th>
<th>Depreciation %</th>
<th>Depreciation Method</th>
<th>YTD Depreciation</th>
<th>Closing WDV</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>B</td>
<td>C</td>
<td>D</td>
<td>E</td>
<td>F</td>
<td>G</td>
<td>H</td>
<td>I</td>
<td>J</td>
<td>K</td>
<td>L</td>
</tr>
</tbody>
</table>

Each asset should have a Code/number assigned to it for easy identification. A full description will further identify the asset. Asset serial number, make and full description should be included here.

Signifies the amount of private use. Depreciation is calculated on income producing assets of the organization. If the asset is used for both private and company use this allocation is recorded here.

Record the purchase or disposition date in this field. The purchase cost of the asset is recorded in this field. This is a calculated field, represents the closing WDV of the previous period.

Additional purchases or disposals during the current period are recorded in this field. The accounting profit or loss is recorded here. This figure is the sale price less the WDV of the asset.

The percentage rate that is applied to calculate the depreciation charge. This is the effective life calculated as a percentage.

There are two main methods of depreciation: Prime Cost (P) or Diminishing Value (DV). Calculated field Prime Cost E-F*I/365* number of days in use Diminishing Value F*I/365* number of days in use. Calculated field F-K=L Prime Cost F-K=L Diminishing Value.
## Manual for Costing and Pricing of VET Products and Services
### Part 3 – Toolkit

### Plant & Equipment

<table>
<thead>
<tr>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
<th>G</th>
<th>H</th>
<th>I</th>
<th>J</th>
<th>K</th>
<th>L</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Computer</td>
<td>1/07/2001</td>
<td>2,000</td>
<td>1,200</td>
<td>20</td>
<td>P</td>
<td>400</td>
<td>800</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Digital Camera</td>
<td>1/07/2002</td>
<td>1,000</td>
<td>800</td>
<td>20</td>
<td>P</td>
<td>200</td>
<td>600</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Photocopier</td>
<td>12/02/2003</td>
<td>5,900</td>
<td></td>
<td>20</td>
<td>P</td>
<td>448</td>
<td>5,452</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>3,000</strong></td>
<td><strong>2,000</strong></td>
<td><strong>5,900</strong></td>
<td></td>
<td><strong>1,048</strong></td>
<td><strong>6,852</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Fixtures & Fittings

<table>
<thead>
<tr>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
<th>G</th>
<th>H</th>
<th>I</th>
<th>J</th>
<th>K</th>
<th>L</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Carpet</td>
<td>1/07/2001</td>
<td>2,000</td>
<td>1,200</td>
<td>20</td>
<td>PC</td>
<td>400</td>
<td>800</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Air Conditioning</td>
<td>1/07/2002</td>
<td>1,000</td>
<td>700</td>
<td>30</td>
<td>DV</td>
<td>210</td>
<td>490</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Back gate</td>
<td>1/01/2003</td>
<td>4,000</td>
<td></td>
<td>20</td>
<td>PC</td>
<td>402</td>
<td>3,598</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>3,000</strong></td>
<td><strong>1,900</strong></td>
<td><strong>4,000</strong></td>
<td></td>
<td><strong>1,012</strong></td>
<td><strong>4,888</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Total Assets

<p>| | | | | | | | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Assets</strong></td>
<td></td>
<td></td>
<td><strong>6,000</strong></td>
<td><strong>3,900</strong></td>
<td><strong>9,900</strong></td>
<td></td>
<td></td>
<td><strong>2,060</strong></td>
<td><strong>11,740</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Financial Controls

The fixed asset register is a sub ledger which provides validation to the entries booked on the general ledger. That is the sub ledger provides a control and must reconcile to the control accounts in the general ledger.

Utilising the previous example the following control can be implemented to ensure that the entries raised on the General Ledger represent the true financial position.

<table>
<thead>
<tr>
<th>Sub Ledger</th>
<th>Plant &amp; Equipment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asset Description</td>
<td>3,000</td>
</tr>
<tr>
<td>Original cost of asset</td>
<td>3,000</td>
</tr>
<tr>
<td>Accumulated Depreciation as at 30-06-03</td>
<td>1,000</td>
</tr>
<tr>
<td>Written Down Value 30-06-03</td>
<td>2,000</td>
</tr>
<tr>
<td>Additions for full year 2004</td>
<td>5,900</td>
</tr>
<tr>
<td>Depreciation Charge 2004</td>
<td>1,048</td>
</tr>
<tr>
<td><strong>Written Down Value 30-06-04</strong></td>
<td><strong>6,852</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>General Ledger</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Plant &amp; Equipment at cost</td>
<td>8,900</td>
</tr>
<tr>
<td>Accumulated Depreciation</td>
<td>2,048</td>
</tr>
<tr>
<td><strong>Written Down Value 30-06-04</strong></td>
<td><strong>6,852</strong></td>
</tr>
</tbody>
</table>

Variance -
Item 12: Checklist attraction, enrolling, financing records of students for VET

a) Advertising
Advertising and promotion of courses and training services to potential clients. This may include:

- Public, community and industry group presentations;
- Newspaper and magazine advertising including editorials and articles;
- Production of flyers and brochures to advertise courses;
- Dissemination of written information, including mail outs of brochures, e-mail newsletters,
- Use of billboards,
- Training organization’s website,
- TV and Radio interviews and advertisements;
- Promotional gambits such as discounts, trade shows, free samples, business breakfasts, face to face visits or telephone contact with local industry and businesses.

b) Information
Providing course and training institution information to students.

Prior to enrolment

- Course content and vocational outcomes,
- Course timetable including orientation session details,
- Fees and charges,
- Entry requirements,
- Application form,
- The training organization’s code of practice which should include details of:
  - Entry requirements,
  - Enrolment procedures,
  - Student orientation,
  - Fees,
  - Refund policy,
  - Student welfare and guidance services,
  - Complaints and grievance procedures,
  - Attendance,
  - RPL procedures,
  - Training delivery methods,
  - Assessment procedures.

Upon application

- Interview details if applicable.
- Recognition of prior learning procedures.
Upon enrolment
- Student ID number,
- Fee payment schedule,
- Course timetable,
- Orientation session details,
- Resources and equipment to be purchased and or provided by student,
- Resources and equipment to be provided by the training institution,
- List of texts, references and pre-reading materials,
- Student handbook.

c) Enrolling
Maintaining enrolment records. These will include:

Student Records:
- Names, addresses,
- Contact numbers,
- Email address and
- Details and dates of courses undertaken,
- Details and dates of relevant previous courses undertaken,
- Workshops undertaken,
- Record of fees paid.
- Application forms.
- Letters of application,
- Enrolment forms,
- Copy of letter of acceptance into course.
- Details and evidence of RPL assessments.

d) Financial records
Financial records:
- budgets and projections,
- receipts and invoices,
- cash books,
- monthly financial reports,
- fees paid,
- refunds and credits.

e) Developing enrolment policies and procedures
The following policies and procedures should be in place prior to enrolment:
- Student selection/enrolment and induction/orientation procedures
- Fees and charges including refund policies
- Student support including welfare and guidance services and provision for managing language, literacy and numeracy difficulties
- Complaints, grievances and appeals procedures
- Discipline and dismissal procedures
- Recognition of Prior Learning procedures.
Item 13:  
**Code of Practice Example**

**Mission Statement and Organizational Objectives**

**Access and Equity policy**
(Organization Name) ensures persons seeking enrolment in our accredited programs are treated equitably. Candidates are selected on the basis of their skills, aptitude and relevant qualifications including life experience. In order that people derive maximum benefit from accredited programs, they are also selected on the basis of their ability to fulfill the programme entry requirements. This may include assessment and support for the purpose of identifying language, literacy and numeracy difficulties.

(Organization Name) promotes a learning environment that is free from discrimination and harassment including unsolicited approaches, comments or physical contact of a sexual nature, victimisation, bullying and racial vilification.

(Organization Name) is committed to supporting full access to the organization’s range of services and employment opportunities by people from disadvantaged groups. This includes those disadvantaged socially, geographically, educationally, physically and intellectually, racially or by gender.

**Accredited programme application**
All applicants are provided with the following information prior to enrolment to enable them to make an informed choice:

- accredited programme information including content and vocational outcomes
- accredited programme timetable including orientation session
- fees and charges
- entry requirements
- application form
- Code of Practice.

**Entry requirements**
Entry to Accredited programs involves the completion of an application form, personal interview and evidence of ability to meet the specific programme requirements as outlined in the programme information.

**Language proficiency**
Applicants requiring assistance with literacy or language development will be advised of available bridging programs through local colleges e.g. Adult and Community Education (ACE) or Technical and Further Education (TAFE).
Client enrolment
Application forms are processed in order of receipt by (Organization Name). Applicants will be contacted for an interview appointment. The interview will assess applicant’s ability to fulfill the entry requirements.

Upon acceptance of their application, applicants receive a confirmation letter detailing fees due, a Client’s handbook, pre-reading material and details of accredited programme textbooks. Accredited programme textbooks must be purchased prior to the commencement of the programme.

Client orientation
A client orientation session will be held prior to the commencement of the accredited programme and will cover the following:

- introductions to trainers, staff and other clients
- facilities equipment and resources
- accredited programme timetable
- flexible learning and assessment strategies
- organizational policies and procedures (e.g. OH&S, Complaints, Recognition of Prior Learning, Grievances and Appeals etc.)
- government requirements regarding management of overseas students
- client support and welfare services
- question and answer session.

Fees
To secure their place, successful applicants must pay a (insert) % non-refundable deposit (insert) weeks prior to the commencement of the accredited programme. The balance of the programme fee is due (insert) week(s) prior to the commencement of the programme.

Alternatively the programme fee can be paid in instalments prior to the commencement of each term. Payment dates will be advised by (Organization Name). Payment by instalment will attract a once-off (insert) % administration charge.

(Organization Name) employs financial management strategies to protect fees paid in advance.

Refund policy
A fee refund, less the non-refundable deposit, will only be given if a client cancels before commencement of Accredited programs.

In the unlikely event of programme cancellation by (Organization Name), full fee refund including the deposit will be made to clients.

After commencement of the programme, fees are non-refundable.
Deferment of Accredited programme and Fee Credit
Clients may receive a pro-rata credit, less the non-refundable deposit, if they cannot continue the accredited programme for unavoidable reasons. The credit can be used to pay for a future accredited programme of their choice. Any credit of fees held is for the use of that client only and is non-transferable to other persons. Any credit of fees being held for the use of a client is non-refundable.

Client welfare and guidance services
(Organization Name) aims to provide useful and comprehensive information and support to clients to assist them during their training programme. A Client Support and Welfare Officer is available for addressing welfare and guidance issues. A Client Handbook is provided to all clients on acceptance to a training programme. The Handbook details information on the local area, accommodation, public transport, local services, medical services, alternate therapists, educational counselling, English language classes, literacy and numeracy assistance, and welfare assistance. This Handbook is regularly updated. Clients experiencing learning or other difficulties will be directed to appropriate sources of help and support. Provision is made for language, literacy and numeracy assessment where appropriate.

Complaints and Grievance procedure
(Organization Name) is committed to the early resolution of complaints and grievances. Persons wishing to complain may do so through the following procedure:
- obtain a Complaints, Grievances and Appeals Form from the office
- complete and return form as soon as possible to the office
- the grievance will be promptly considered by the Chief Executive Officer
- the Chief Executive Officer will consult with other persons involved in the grievance
- the Chief Executive Officer will mediate to resolve the situation.
- if the grievance remains unresolved an independent mediator will be engaged.

Occupational Health & Safety
(Organization Name) considers the occupational health, safety and welfare of its staff and clients to be of the utmost importance. (Organization Name) takes all “reasonably practicable” steps to provide and maintain a safe and healthy workplace and learning environment.
A successful OH & S programme is dependent upon all persons on (Organization Name) premises sharing responsibility for insuring a safe and healthy environment. (Organization Name) has a designated person with direct access to the Chief Executive who has defined responsibility and authority in relation to occupational health and safety issues within the organization.
(Organization Name) ensures all staff and clients are aware of their responsibility regarding OH & S issues through provision of safety information and education. The delivery and assessment of all accredited programs must incorporate the relevant OH & S legislation and requirements as they apply to work practices.

All injuries, accidents and near misses must be reported to the OH & S Officer and recorded in the Accident and Injury Log Book. All incidents will be investigated and action taken to prevent their re-occurrence. A first aid box and manual will be available for use by staff and clients.

Smoking is prohibited on (Organization Name) premises. Alcohol and/or illegal drugs are prohibited on (Organization Name) premises.

Any action by staff or clients that jeopardises the health, safety or welfare of others may result in dismissal.

**Disciplinary procedures**

Clients are expected to display a high level of personal responsibility for their learning process and for their interaction with other clients and staff members.

Anyone displaying inappropriate or dangerous behaviour, (e.g. disruptive class behaviour, refusal to follow OH&S procedures, irregular attendance) will be required to attend a disciplinary meeting to discuss the necessary changes they need to make. The meeting participants will negotiate an agreed plan of action and time scale for reviewing the necessary behaviour changes. If the agreed changes are not implemented, the client may be dismissed from the accredited programme.

**Attendance**

Our accredited programs will challenge students’ resolve and endurance. They are fundamentally work-based programs requiring a steadfast commitment. Regular and punctual attendance at classes is required for successful completion of accredited programs.

Clients who do not display regular attendance at their training programme may be required to attend a disciplinary meeting. If a client’s attendance in any programme modules falls below (insert)% they may be ineligible for a pass in that subject.

In the event of extended absence due to ill health or personal reasons, clients will need to discuss their position with the Chief Executive Officer.

**Recognition of Prior Learning (RPL)**

Recognition of Prior Learning is the determination of advanced standing that a client has through their previous formal or informal training, work experience and/or life experience. (Organization Name) recognises the AQF Qualifications and Statements of Attainment issued by other Registered Training Organizations in accordance with its mutual recognition obligations.

RPL is offered to all clients on enrolment and are provided with an RPL information sheet. Clients may apply for an RPL assessment related to competencies/modules included in the accredited programme. An RPL application form is available from the office.
Clients are required to provide sufficient evidence of competence to sustain a successful RPL. The evidence required is established through the RPL process. The RPL process is structured to minimise time and cost to applicants. It provides guidance in enabling applicants to gather sufficient evidence to support their claim for recognition of current competencies held, regardless of how, when or where the prior learning occurred.

A successful application for RPL does not necessarily attract a fee refund or credit.

**Training delivery procedures**

The accredited programs at *(Organization Name)* are delivered in a manner that provides individual clients with the best opportunity to succeed in achieving their goals.

A variety of theoretical, practical and interactive delivery strategies are employed. Strategies include: trainer presentation and demonstration, clinical and workshop practises, discussions, question and answer sessions, case studies, role play and structured exercises.

Accredited programme modules are delivered through group classes and include one-to-one guidance and coaching for clients.

All accredited programme trainers and assessors have a minimum of *(insert)* years training experience in their area of expertise and are formally qualified to deliver accredited training and assessment in line with Training Package or accredited course guidelines.

**Accredited programme assessment procedures**

Assessment is carried out in accordance with the National Assessment Principles as endorsed by the National Training Framework Committee, May 1998.

Assessment for all programme competencies is compulsory. Assessment processes cover the broad range of skills and knowledge needed to demonstrate competency in the relevant field of study. Assessment integrates knowledge and skills with their practical application.

All assessment tasks should be completed on or before the due date. Extensions need to be negotiated with the assessor and must be for a good reason. Assignments should have a cover sheet clearly setting out the client’s name and assignment details.

The accredited programme allows for only “Competent” or “Not yet competent” on completion of each competency/module. Grades may be given on assignments as an indication of the client’s performance at the assessor’s discretion.

**Workplace assessment procedures**

Workplace assessments are conducted in accordance with the model assessment procedure as approved by the National Training Quality Council (NTQC).

Workplace assessments will be conducted according to training/assessment plans as agreed between the trainer/assessor and all stakeholders.

Assessors will enable clients to undertake a self-assessment process prior to formal assessment events. Assessors will negotiate and inform clients on all aspects of workplace assessments prior to formal assessment. This will include
assessment methods, assessment tools and reasonable adjustments to the assessment process where appropriate.

Assessment events, resources, times, etc. will be discussed with employers, supervisors, mentors, coaches, where appropriate. Confidentiality will be maintained at all times.

**Appeals against assessment decisions**

Clients wishing to appeal against accredited programme or competency/module assessment decisions may make a formal request for re-assessment of their work as follows:

- obtain a Request for re-assessment form from office
- complete and return form as soon as possible to the office with relevant assessment documents
- the original assessor will be requested to report on their assessment process
- all original assessment documents will be submitted for re-assessment to a second qualified assessor together with original assessor’s report
- where practical demonstrations form part of the assessment, arrangements will be made for re-assessment by a second qualified assessor
- the client will be notified in writing with details of the re-assessment result
- any further re-appeals will be dealt with in a Complaints, Grievances and Appeals process

**Exit Points**

Completion of all modules of the accredited programme is the only exit point for those who wish to receive a full qualification. A Statement of Attainment is available for completed competencies if a client leaves prior to the end of an accredited programme.

There is no automatic re-entry into a future accredited programme if clients fail to complete all competency/modules of the programme in which they were originally enrolled.

**Issuance of qualifications**

Qualifications issued by *(Organization Name)* meet the Australian Qualifications Framework (AQF) standards.

A single qualification will be issued to clients upon successful completion of the accredited programme. A Statement of Attainment will be issued for partial completion of the programme.

Clients issued with a qualification will also receive documentation that identifies the units of competency that have been achieved.

*(Organization Name)* maintains records relating to the issuance of qualifications.
Item 14:
Examples of Enrolment Forms

a) ACE Mullumbimby Inc. (Australia)\(^8\)

ACE Mullumbimby Inc.
Our Adult Community Education Centre

ENROLMENT FORM

<table>
<thead>
<tr>
<th>Course No</th>
<th>Course Name</th>
<th>Fee</th>
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</tbody>
</table>

Total Course Fees $  

Please tick your method of payment:

- Cash
- Cheque
- Money Order
- Bankcard
- Mastercard
- Visa

Credit Card No:

Expiry Date:

Signature:

Name on Card:

STUDENT DETAILS: All sections should be completed as Federal Government requirement for

LANGUAGE & CULTURAL DIVERSITY

In which country were you born?

- Australia - Please Tick
- Other Please specify

Do you speak any language other than English at home?

- No
- Yes, please specify

How well do you speak English?

- Very Well
- Well
- Not Well
- Not at All

Are you of Aboriginal or Torres Strait Islander origin?

- No
- Yes, Aboriginal
- Yes, Torres Strait I.

DISABILITY

Do you consider yourself to have a disability, impairment or long term condition?

- Yes
- No

If Yes, then please indicate the areas below

- Hearing/Deaf
- Physical
- Intellectual
- Learning
- Mental Illness
- Acquired Brain
- Impairment
- Vision
- Medical Condition
- Other

EMPLOYMENT

Of the following categories, which BEST describes your current employment status?

- Full-Time Employee
- Part-Time Employee
- Self Employed:
  - Not Employing Others
  - Employer

PREVIOUS QUALIFICATIONS ACHIEVED

Have you successfully completed any of the following Qualifications?

- Yes
- No

If YES, then tick ANY applicable boxes.

- Bachelor Degree or Higher Degree
- Advanced Diploma of Associated Degree
- Diploma or Associated Diploma
- Certificate IV (or comparable)
- Certificate III (or Trade Certificate)
- Certificate II
- Certificate I
- Certificates other than the above

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\(^8\) www.acemullum.com.
b) North Coast Institute (Australia)

**NORTH COAST INSTITUTE APPLICATION FORM**

Please complete this application form if you wish to apply for or register interest in a course or study area within the North Coast Institute. The form does not replace the TAFE NSW Statewide Application form for high demand courses where a formal process is required.

You will need to use a separate application form for each course or area of interest.

You may need to attach additional information this form and attend an information session/interview. Check the course information brochure, ring 131601, contact the campus or visit www.nci.tafensw.edu.au for details.

**SECTION A: COURSE/STUDY INTEREST DETAILS**

Course Name/Study interest area: ________________________

Study preference: 

- [ ] Full-time
- [ ] Part-time

Course Number: ______________________ (if known)

- [ ] Face-to-face
  - most class time is with a teacher
- [ ] Flexible to suit you
  - combination of on and off-campus study – some may be online

Campus through which you would prefer to study: 

- [ ] Fully distance/online
  - all or most study is off-campus, maybe online

NOTE: All study preferences may not be currently available for particular courses at particular campuses but we would still like to know what your study preferences would be if they were available.

**SECTION B: PERSONAL DETAILS (please print clearly)**

Family Name: ___________________________________________

First Name: ________________________  Other Name: ________________________

Date of Birth _____ day _____ month _____ year  Male  Female  (please circle)

Postal address: ___________________________________________ Postcode  ________

Phone No (H) ______________________  Phone No (W) ______________________

Mobile No  ____________________  Email ___________________________________

The information provided by you on this form will be used by TAFE NSW – North Coast Institute for the purposes of student administration, planning and communication. Information provided will be held securely and confidentially. By submitting this form you agree that TAFE NSW – North Coast Institute may contact you for marketing purposes. You may access, correct or amend your personal details by contacting the campus to which you sent this form.

Your signature:  _______________________________________

Date:  _______________________________________

NORTH COAST INSTITUTE APPLICATION FORM V1

OFFICE USE ONLY

Date Received

Section Use
SECTION C: EDUCATION AND SKILLS

CAREER/STUDY GOALS

Tell us what your career goals are and why you want to study with the North Coast Institute.

PREVIOUS EDUCATION AND STUDY

Tell us about any education or training programs you have done which may help you with your studies.

Highest level of school completed __________________Year completed ______

Other courses/modules undertaken/completed (School, TAFE, University, Adult Education etc):

PREVIOUS WORK/LIFE EXPERIENCE

Tell us about any previous work or life experiences you have had that may help you with your course.

Circle any that apply to you:
Aboriginal and Torres Strait Islander Disability Non-English Speaking Background

NOTE: This form does not guarantee you a place in a course. You need to complete the enrolment process to gain a place in any course. This may involve attending an information and/or enrolment session. Check the course information brochure, ring 131601 or contact the campus for details.

Please return the completed form to a campus of the North Coast Institute.

NORTH COAST INSTITUTE APPLICATION FORM V1
Item 15:

**Client Enrolment Procedure**

These procedures relate to the dissemination of information to clients prior to enrolment and the selection and enrolment of clients into training programs.

**Procedures (This will need customising to suit your organization)**

- Provide all potential clients with the following information **prior to enrolment:**
  - course information including content and vocational outcomes
  - course timetable including orientation session
  - fees and charges
  - entry requirements
  - application form
  - Code of Practice.
- Record details of completed application forms including date received
- Arrange face-to-face interviews for local applicants
- Arrange distance interviews by telephone, fax or email for interstate and overseas applicants
- Conduct interviews to determine applicants’ suitability in line with course entry requirements and identify any special needs
- Allocate client I.D. number to client if accepted into training programme
- Open an individual file for each client and create card for client in card index system or electronic recording system
- Confirm applicants acceptance or non-acceptance into training programme by letter with details of:
  - client I.D. number
  - fee payment schedule
  - course timetable
  - orientation session details
  - copy of Client Handbook
  - pre-reading materials
  - other relevant information.
- Check that the (insert)% non-refundable deposit is received (insert) weeks prior to the commencement of the course. *(This will need to be customised in line with your organization’s fee structure)*
- Issue receipt for deposit and post to client
- Record fees paid on client’s card in card index system or electronic recording system
- Check that the balance of the course fee is received (insert) week(s) prior to the commencement of the course
- Issue receipt for balance of course fee and post to client
- Record fees paid on client’s card in card index system or electronic recording system
- Negotiate payment by instalment for clients with financial difficulties.

**Review Date**

This procedure should be periodically reviewed and revised. Revisions should be made as and when required. The period between reviews must not exceed 3 yrs. The date for review of this procedure is on or before .........................

**Authorised By**

**Signature:** ..................................... **Name:** .....................................

**Position:** Chief Executive Officer of *(Organization Name)* **Date:** .....................
Item 16:  
**Ideas for Engaging Enterprises**

A Registered Training Organization (RTO) seeking to engage enterprises recognises the barriers to engagement and looks for ways to lessen their impact. Some of these strategies are highlighted below.9

<table>
<thead>
<tr>
<th>Barriers to engagement</th>
<th>Possible RTO responses</th>
</tr>
</thead>
</table>
| Human, financial and time constraints | • Use short, concise consultation strategies  
• Conduct purposeful consultation focusing on critical enterprise issues  
• Provide support services |
| Enterprise capacity to value add | • Provide evidence of the value of enterprise input on your delivery and assessment  
• Identify areas in which the enterprise has capacity to add value |
| Lack of confidence in formal delivery and assessment | • Use credible intermediaries  
• Provide evidence of the value formal training can offer to enterprise performance |
| Mistrust of external providers | • Use informal and/or formal networks for referral  
• Provide honest, realistic estimates of time required for consultation |
| Lack of focus on business concerns | • Structure consultations around key enterprise issues  
• Distinguish between macro issues, such as a broad approach to delivery/assessment, and micro issues of programme level |
| Inflexible consultation strategies | • Conduct consultations at times to suit enterprises  
• Use direct and indirect consultation strategies  
• Use face-to-face consultations conducted on site |
| Limited business networks | • Use intermediaries to target enterprises and individuals  
• Target key influences such as friends, suppliers and customers |
| Technical and jargon laden materials | • Use plain English documentation  
• Provide relevant summaries of key documents  
• Provide information on key aspects of the training system |

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9 Australian National Training Authority: “AQTF Learning and Assessment Strategies”, p. 12.
Item 17:  
**Training Needs Analysis and Skills Audit**\(^{10}\)

The questionnaire (on the following pages) is divided into various parts to address a variety of organizational needs. Before you distribute the questionnaire, it is recommended that you amend the format to suit the individual job requirements by deleting any non-applicable sections.

Depending on individual preference, the questionnaire can either be completed separately by the staff member or done in conjunction with their supervisor. Human Resource practitioners may also wish to use the questionnaire as a planning guide.

The areas covered by the questionnaire include:

- Confirmation of the staff member’s current job description
- A job analysis, if one is required to define the job
- Skills needed to perform the present job
- Skills needed to perform other roles in the organization
- Future career aspirations
- The identification of prior learning obtained
- Agreed actions for training delivery.

---

<table>
<thead>
<tr>
<th>Organization’s name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of staff member:</td>
</tr>
<tr>
<td>Section:</td>
</tr>
<tr>
<td>General</td>
</tr>
<tr>
<td>1. Are you a new employee or a long-standing employee of</td>
</tr>
<tr>
<td>the company?</td>
</tr>
<tr>
<td>2. How long have you been in your present job?</td>
</tr>
<tr>
<td>Confirmation of Current Duties</td>
</tr>
<tr>
<td>3. Do you have a duty statement for your job?</td>
</tr>
<tr>
<td>4. Is your job accurately described in the duty statement?</td>
</tr>
<tr>
<td>5a. If no, what extra duties do you do that need to be added to your duty statement?</td>
</tr>
<tr>
<td>5b. What duties are no longer part of your job and can be deleted from your duty statement?</td>
</tr>
<tr>
<td>Job Analysis</td>
</tr>
<tr>
<td>6. Describe the tasks you regularly perform that are critical to carrying out your job effectively.</td>
</tr>
<tr>
<td>7. Describe the type of equipment you are required to use (for example, keyboard, machinery, tools of trade, etc).</td>
</tr>
<tr>
<td>8. Do you require a high degree of technical knowledge for your job?</td>
</tr>
<tr>
<td>9. How do you work? Please circle</td>
</tr>
<tr>
<td>Alone</td>
</tr>
<tr>
<td>Part of a team</td>
</tr>
<tr>
<td>Other (specify)</td>
</tr>
</tbody>
</table>
10. If you work as part of a team, do you perform the same of different work to members of your team?

11. To what extent does your job require you to work closely with other people, such as customers, clients or people in your own organization? Please circle.
   - Very little
   - Moderately
   - A lot

12. How much autonomy is there in your job, ie, to what extent do you decide how to proceed with your work? Please circle.
   - Very little
   - Moderately
   - A lot

13. How much variety is there in your job, ie, to what extent do you do different things at work, using several skills and talents? Please circle.
   - Very little
   - Moderately
   - A lot

### Training Needs

14. **To perform your current job:** What training do you still need (either on-the-job or a formal course) to perform your current job competently (eg, Excel, bookkeeping, English as a second language, etc)?

15. **To perform other jobs in the organization:** What other roles in the organization would you be interested in doing if a vacancy became available (eg, transfer to another section, supervisor position, etc)?

16. **To perform other jobs in the organization:** What training or experience would be required (eg, machine operation, negotiation skills, Occupational Health and Safety Awareness, etc)?

### Future Development Needs

17. What are your career aspirations?

18. What training or development do you need to help make this happen (eg, external degree study, formal meeting procedures, leadership training, etc)?

### Recognition of Prior Learning

19. What training have you attended within the last three years? (This will help identify if any training sessions have been missed or if any refresher training is required.)

20. What training or skills have you acquired outside your current job that may be relevant to the wider organization?

### Action Plan

**Agreed training and development to be provided over the next 12 months:** (Record the details of training courses, on-the-job experiences, friend systems or mentor arrangements, and include the recommended dates the staff member can expect these to be available.)

<table>
<thead>
<tr>
<th>Training</th>
<th>Date</th>
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**Signature of Staff Member:**

**Signature of Supervisor:**
## Employee Skills Profile

### Employee Details

**Name:** __________________________

**Date:** __________

**Area Office:** __________________  **Position:** __________

### Previous Qualifications

<table>
<thead>
<tr>
<th>Previous Qualifications</th>
<th>Year Obtained</th>
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### Related Work History

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<thead>
<tr>
<th>Industry Type</th>
<th>Position Held</th>
<th>Years of Service</th>
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### Skills & Information Technology Rating

Rate knowledge from 1 to 5 (1=low, 5=high) or nil (N/A)

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<th>Rate</th>
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</table>

### In House Development/Training

<table>
<thead>
<tr>
<th>Programme</th>
<th>Date</th>
<th>Programme</th>
<th>Date</th>
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### Other Skills & Courses

<table>
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<tr>
<th>Description</th>
<th>Date</th>
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</table>
Item 18:
Application Forms for the RPL/RCC Process

a) APPLICATION FORM RECOGNITION OF PRIOR LEARNING / RECOGNITION OF CURRENT COMPETENCY

Candidate Name: ........................................ Date of Birth: .........................
Address: .................................................. Contact Telephone No: ...........
Workplace Address: .................................................................
Workplace Telephone No: ..............................
Name and Code of Qualification and Units for which recognition is being sought:

☐ ............................................................................................................

☐ ............................................................................................................

Please explain why you consider you are entitled to claim RPL/RCC for the above Unit/s, attach the completed forms given to you by the Assessor and all supporting evidence as discussed with the Assessor.
..........................................................................................................................
..........................................................................................................................
..........................................................................................................................

Candidate/Applicant Signature: ...............................................................

Date: .................................................................
b) WORK EXPERIENCE DETAILS

List in the table below details of any work experience, EITHER Part Time, Full Time, Voluntary or Unpaid work.
Begin with your most recent position/job first. There will be an opportunity for you to discuss and clarify points regarding your RPL/RCC assessments.

<table>
<thead>
<tr>
<th>Employer, Address, Contact Name, Phone No</th>
<th>Name of Position</th>
<th>Duties Performed</th>
<th>Full Time or Part Time</th>
<th>Unpaid or Voluntary</th>
<th>Dates From: To:</th>
</tr>
</thead>
<tbody>
<tr>
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</tbody>
</table>

Name of Applicant: ............................  Date: ............................

c) OTHER EXPERIENCE DETAILS

Examples that fall into this category are:
- Involvement with Associations
- Clubs, Societies, Committee Work
- Attending Courses, Seminars, Conferences, Training Days

List below any work experience you may have received from the above categories, either Full Time or Part Time.

<table>
<thead>
<tr>
<th>Employer, Address, Contact Name, Phone Number</th>
<th>Type of Activity</th>
<th>Full Time or Part Time</th>
<th>Dates From: To:</th>
</tr>
</thead>
<tbody>
<tr>
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</tbody>
</table>

Name of Applicant: ............................  Date: ............................
d) ASSESSMENT SUMMARY AND FEEDBACK FORM

<table>
<thead>
<tr>
<th>Candidate details:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Workplace:</td>
<td></td>
</tr>
<tr>
<td>Supervisor/Manager:</td>
<td></td>
</tr>
<tr>
<td>Assessment Date:</td>
<td></td>
</tr>
<tr>
<td>Assessor Name:</td>
<td></td>
</tr>
<tr>
<td>Registered Training Organization:</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Unit/s of Competency:</th>
<th></th>
</tr>
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<table>
<thead>
<tr>
<th>Comments on assessment context:</th>
<th></th>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Assessment decision:</th>
<th></th>
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<table>
<thead>
<tr>
<th>Feedback and future action:</th>
<th></th>
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</table>

<table>
<thead>
<tr>
<th>Gaps in performance:</th>
<th></th>
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<table>
<thead>
<tr>
<th>Reinforcement of good performance:</th>
<th></th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Strategies for further improvements:</th>
<th></th>
</tr>
</thead>
</table>
e) ASSESSMENT APPEAL
I, the Applicant, wish to lodge an Appeal of the decision of the RPL/RCC process that I have undertaken.
The relevant details and reasons are as follows:

**APPLICANT DETAILS**

<table>
<thead>
<tr>
<th>SURNAME</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>GIVEN NAMES</td>
<td></td>
</tr>
<tr>
<td>ADDRESS</td>
<td></td>
</tr>
<tr>
<td>TELEPHONE NO</td>
<td></td>
</tr>
<tr>
<td>WORK / HOME</td>
<td></td>
</tr>
<tr>
<td>COURSE NAME</td>
<td></td>
</tr>
<tr>
<td>UNIT OF COMPETENCY</td>
<td></td>
</tr>
<tr>
<td>ASSESSOR</td>
<td></td>
</tr>
<tr>
<td>REASONS FOR APPEAL:</td>
<td></td>
</tr>
</tbody>
</table>

| SIGNED :       |          |
| DATE:          |          |

**CHECKLIST:**

- Have you filled in all the sections correctly?
- Are all attachments included such as letters of support and proof?
- Have you enclosed the application fee?
f) FEEDBACK ON RPL/RCC PROCESS

At the end of the RPL/RCC Process, we would appreciate if you could answer the questions below and return it to your Assessor.

1. Was the information supplied on the RPL/RCC Process easy to understand?

................................................................................................................................................
................................................................................................................................................

2. Did you receive the support and assistance to complete your evidence/documentation?

................................................................................................................................................
................................................................................................................................................

3. How many Units of Competency did you apply?

................................................................................................................................................

4. How many Units were you successful in achieving?

................................................................................................................................................

5. When you received the decision, was it within the agreed timeframe?

................................................................................................................................................

6. Do you have any other comments, positive or negative, which may help us to improve the RPL/RCC process?

................................................................................................................................................
................................................................................................................................................
................................................................................................................................................

Your comments are appreciated and thank you for the time you have taken to complete this feedback form.
### g) APPLICANT SELF-ASSESSMENT TOOL RECOGNITION

<table>
<thead>
<tr>
<th>Applicant Name:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Position Name/Job Role</strong></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>SELF ASSESSMENT QUESTIONS</strong></th>
<th><strong>RESPONSES</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. I am able to perform all the tasks and activities in the Units of Competency?</td>
<td></td>
</tr>
<tr>
<td>2. If the answer is No, which parts will I require additional training in?</td>
<td></td>
</tr>
<tr>
<td>3. Do I have a good understanding and knowledge of the tasks I need to perform the workplace activity?</td>
<td></td>
</tr>
<tr>
<td>4. List evidence I have to support my application for RPL/RCC</td>
<td></td>
</tr>
</tbody>
</table>

**SIGNED:**

**DATE:**

### h) THIRD PARTY EVIDENCE FORM

<table>
<thead>
<tr>
<th><strong>Name of Candidate:</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RTO:</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Unit(s) of Competency</strong></td>
<td></td>
</tr>
</tbody>
</table>

As part of the collection of evidence for the RPL/RCC Process of Unit (s) of Competency, we are asking you, the Supervisor, a number of questions to support a judgment about the Applicant’s Competency in the Workplace.

<table>
<thead>
<tr>
<th><strong>Name of Supervisor:</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Workplace:</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Address:</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Phone:</strong></td>
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</tr>
</tbody>
</table>

Do you understand the Unit of Competency and the Elements of the Performance Criteria? Yes No

Has the purpose of the process been explained to you by the Assessor? Yes No

The Applicant has the right to see this form. Are you aware that this may occur? Yes No
If additional verification is required, are you willing to provide additional information? Yes No

Could you please answer the following:

<table>
<thead>
<tr>
<th>What is your relationship to the Applicant?</th>
</tr>
</thead>
<tbody>
<tr>
<td>What period of time have you worked with the Applicant?</td>
</tr>
<tr>
<td>Do you work in the same area as the Applicant or in another part of the workplace?</td>
</tr>
<tr>
<td>Could you please detail your qualifications/experience/technical expertise in the competency being assessed?</td>
</tr>
</tbody>
</table>

Does the Applicant:
- Perform job task to the level expected? Yes No
- Observe safe working practices? Yes No
- Work as part of a team? Yes No
- Work on their own without supervision? Yes No
- Show flexibility when doing a new task? Yes No

Having examined the Units of Competency, do you believe that the candidate performs to the Standard required in the Performance Criteria on a consistent basis? Yes No

From this process have you identified any further training needs for the Applicant? Yes No

If so, could you please detail:

................................................................................................................................................................
................................................................................................................................................................

Any other comment would be appreciated:

................................................................................................................................................................
................................................................................................................................................................

Supervisors Signature:  ...............................................  

Date:  ..................................
i) THIRD PARTY INTERVIEW CHECKLIST

<table>
<thead>
<tr>
<th>Candidate Name:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Unit/s of Competency:</td>
<td></td>
</tr>
<tr>
<td>Name of Third Party:</td>
<td></td>
</tr>
<tr>
<td>Third Party Role:</td>
<td></td>
</tr>
</tbody>
</table>

**COMMENTS REGARDING CANDIDATE PERFORMANCE**

<table>
<thead>
<tr>
<th>The Candidate demonstrates competent performance in the following areas:</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tbody>
</table>

Third Party Signature: Date:

Assessor Signature: Date:
### j. ASSESSMENT PLAN FOR RECOGNITION

<table>
<thead>
<tr>
<th>Candidate Name:</th>
<th>Position:</th>
</tr>
</thead>
</table>

This assessment plan is to be completed with the assessor. It has been designed to assist you in identifying the Unit/s of Competency for which you are seeking Recognition. The assessor will discuss the following areas with you. The list below should be ticked off once you are confident that you have understood the information and the process.

- The purpose and the outcome of the Recognition process
- The relevant unit/s of competency
- The Appeal’s process
- Security of the information supplied and confidentiality
- Any additional information/special needs

<table>
<thead>
<tr>
<th>Assessment Process</th>
<th>Date to be completed by:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-Interview and self-assessment</td>
<td>…………………………….</td>
</tr>
<tr>
<td>Evidence gathering</td>
<td>…………………………….</td>
</tr>
<tr>
<td>Guidance and feedback</td>
<td>…………………………….</td>
</tr>
<tr>
<td>Submitting evidence</td>
<td>…………………………….</td>
</tr>
<tr>
<td>Evidence reviewed and judged</td>
<td>…………………………….</td>
</tr>
<tr>
<td>Outcomes/feedback discussed</td>
<td>…………………………….</td>
</tr>
<tr>
<td>Action plan/s developed</td>
<td>…………………………….</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Relevant unit/s of competency</th>
</tr>
</thead>
<tbody>
<tr>
<td>□ Assessor contact detail</td>
</tr>
<tr>
<td>□ Copy of Unit/s of competency</td>
</tr>
<tr>
<td>□ Forms/Records</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Types of evidence that may be collected:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Reports, letters, video/audio tapes, work samples, questioning, observation/demonstration of work tasks, interview</td>
<td></td>
</tr>
</tbody>
</table>

Candidate Signature: ……………………………. Date: …………………………….

Assessor Signature: ……………………………. Date: …………… ………….
k) EVIDENCE CHECKLIST

<table>
<thead>
<tr>
<th>Insert Unit Title</th>
<th>Unit of Competency</th>
<th>Type of Evidence Provided</th>
</tr>
</thead>
<tbody>
<tr>
<td>ELEMENT</td>
<td>Practical Demonstration</td>
<td>References</td>
</tr>
<tr>
<td></td>
<td>Supervisors/Performance Report</td>
<td>Relevant Documentation</td>
</tr>
<tr>
<td></td>
<td>Audio/visual</td>
<td>Work sample</td>
</tr>
<tr>
<td>Supporting skills and knowledge</td>
<td></td>
<td>OTHER</td>
</tr>
</tbody>
</table>
I) RECOGNITION COMPETENCY CHECKLIST

<table>
<thead>
<tr>
<th>Unit of Competency:</th>
</tr>
</thead>
</table>

### The Candidate should present evidence of:

<table>
<thead>
<tr>
<th>Skills and knowledge</th>
<th>Evidence Submitted</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td></td>
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</table>

**Assessor Signature:**

**Date:**

m) RECORD OF INTERVIEW

The following points were covered and explained to me at the Initial Interview for the Application of RPL/RCC.

- The Units of Competency
- Types of Evidence to be presented as attachments to the Application
- The format of the Evidence
- The timeframe for the completion of the application
- A date by which a decision would be given
- Information from the Assessor if there appeared to be not enough evidence to support an Application
- An explanation of the Appeal’s Process
- Confidentiality and Privacy Issues
- Forms for the Application and any assistance required to fill out the Application

**Applicant Signature:** .........................  **Date:** .........................

**Assessor Signature:** .........................  **Date:** .........................
**Item 19:**
**RPL/RCC Costing Worksheet**

<table>
<thead>
<tr>
<th>Item</th>
<th>Hours *</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information Package</td>
<td>2-4</td>
<td>$</td>
</tr>
<tr>
<td>Application Forms</td>
<td>2</td>
<td>$</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>4-6</td>
<td>$</td>
</tr>
</tbody>
</table>

**Assessor (Staff time)/Application**

<table>
<thead>
<tr>
<th>Item</th>
<th>Hours *</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meeting with Applicant</td>
<td>1</td>
<td>$</td>
</tr>
<tr>
<td>Mentoring Support</td>
<td>2-4</td>
<td>$</td>
</tr>
<tr>
<td>Assessing Evidence</td>
<td>3-5</td>
<td>$</td>
</tr>
<tr>
<td>Informing Applicant/Feedback</td>
<td>1</td>
<td>$</td>
</tr>
<tr>
<td>(Possible Request for Additional Information/Appeal)</td>
<td>1-2</td>
<td>$</td>
</tr>
<tr>
<td>Assessor’s Final Decision</td>
<td>2</td>
<td>$</td>
</tr>
<tr>
<td>Recording Assessment Result</td>
<td>1</td>
<td>$</td>
</tr>
<tr>
<td>Issuing Statement of Attainment</td>
<td>0.5</td>
<td>$</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>15.5 – 22.5</td>
<td>$</td>
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</tbody>
</table>

* Estimate of hours only
Item 20:  
**Distance Learning Programme Evaluation**

1. Suggested Performance Indicators for a DL programme

<table>
<thead>
<tr>
<th>Performance Criteria</th>
<th>Performance Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Effort.</strong></td>
<td></td>
</tr>
</tbody>
</table>
| **Extent or outreach of services** | Student participation numbers.  
The reach or coverage of the distance education system (facilities and services), geographically and in meeting teachers’ needs.  
Composition of student population (such as rural/urban, disadvantaged groups, gender balance, ethnic minority teachers).  
Accessibility and affordability by learners. |
| **Performance Effects or output, outcomes and impact of services** | Achievement of stated programme and course goals.  
Completion of dropout rates.  
Examination entry and success rates, overall and by subjects.  
Assessment of practical teaching skills.  
Learning gains in knowledge and understanding of academic subjects, school curricula and pedagogy.  
Improvements in pupils’ learning achievement.  
Coursework submission rates and grades.  
Comparisons with conventional alternatives.  
Evidence of changes in teaching practices, professional attitudes and beliefs.  
Acceptance of qualifications by employers, peers, professional associations and other educational institutions for entry to further study.  
Equivalence in pay-scales and levels for teachers trained by distance and traditional modes.  
Reputation and status of programme and individuals trained through it.  
Extent of integration with “mainstream” teacher education and relative status.  
Influence on teacher education in general (use of distance education materials in a conventional system, extent of participation in the programme by conventional teacher-trainers, as tutors, assessors, mentors, coordinators, supervisors of students’ teaching; participation in staff development activities). |
| **Adequacy. Impact of services relative to identified needs** | Strategic role, scale and contribution to supply and quality of teachers overall.  
Contribution to improving the qualification levels and quality of the teaching force, teacher supply and individual teacher career development.  
Extent to which the needs overall and of sub-groups within the teacher population are met (ethnic minority teachers, educational levels, rural/urban, language needs, regional differences of social context and environment).  
Relevance to teachers’ schools and contexts of work.  
Appropriateness of media and technology choices to the conditions of participating teachers.  
Extent and quality of materials and services to support teachers’ learning. |

... continuing
2. Evaluation measures

Programme goals and objectives:
- estimates of overall programme capacity to meet stated goals and objectives;
- measures that reflect whether or not the programme has met the goals and objectives.

Instruction:
- costs and effectiveness of the instructional approach and pedagogical practices employed (use findings from the pedagogical evaluation);
- costs and effectiveness of the curriculum and instructional materials employed (use findings from the curriculum and instructional material evaluation);
- effectiveness of the instructional management team, including, for example, all supervisors, teachers, tutors and field coordinators;
- estimates of student costs, in particular, cost per student learning hour (SLH);
- costs and effectiveness of the student support system;
- measures that reflect adequacy of student attainment required to meet both the students’ personal goals and the objectives of the programme.

Administration:
- measures of management effectiveness in various specialised areas (such as staffing, programme publicity, stakeholder and public relations, student support services, key stakeholders and problem resolution);
- effectiveness of existing administrative policies and procedures;
- effectiveness of the financial management team;
- estimate of potential for short-and long-term sustainability;
• measures to determine if the financial system can adequately support the programme;
• review existing cost control measures to determine if the programme will be able to stay within the annual budget.

Technology:
• costs and effectiveness of the technologies used to support the delivery of services;
• technology cost data and comparative data from similar programs;
• data that suggest other technology solutions that would lower the costs per SLH while at the same time providing equal or better programme quality.

External:
• measures that reflect effective use of steering or advisory bodies;
• measures that reflect extent of community support;
• measures that reflect extent of government support.\(^\text{11}\) 3

\(^{11}\) Goldman, J (Editor): . op cit n1 (Adapted)
Item 21: 
Training Needs Survey

Identify the training objectives.
- What is the training problem to be addressed?
- Why is DL the best solution?
- What is the desired outcome?
- What is the economic rationale for this project?
- What other benefits would be expected from the implementation of this project?
- Who would the benefactors be?

Identify the training participants.
- What is the estimated total number of students within the target population?
- What are the general academic characteristics of the target population?
- What are the general physical characteristics of the target population?
- What are the geographic disbursement characteristics of the target population(s)?
- How many students are estimated to be available for instruction in the DL programs (by age, grade, location)?
- What are the income levels of the students and their families?
- What is the projected growth rate of the population(s)?
- What is the mobility of the target population?
- Are there any available measures of student interest, need and readiness to use DL as a learning tool?
- Are there any gender concerns, for example, will the families allow young women to participate in DL?
- Are there any disability concerns?
- What are the civil governance structures that support the population?
- What is the target population’s physical health?
- Are there any political, social and religious factors that may affect RDL planning?
- Are there any security issues that may affect planning?

Identify the learning/ training needs of the target population.
- What are the clearly identified gaps in available learning/training within the target population as compared to other rural and urban areas in the country?
- How do the gaps compare with the requirements of the national curricula (if one exists)?
- What are the national and local priorities for learning and training? How do these priorities relate to the target population?
- What are the economic/industrial/agricultural trends that may require changes in available knowledge/skill mix within the target population?
Identify the characteristics of the existing education/training systems that serve the target population.

- Where are the existing training facilities located in the geographic area to be served?
- What type of facility are they?
- What are the enrolments by age, class level, gender and geographic location of families?
- What are the current physical conditions?
- How many teachers (by types) are currently employed?
- What is the current retention rate (turnover rate) for teachers and staff?
- What are the average salaries paid (by level of teachers) in the training facilities? What are the teaching hours?
- Are there any established measures of instructional quality available for programs offered in the current system?
- What is the average number of graduates from the respective facilities as compared to yearly enrolments?
- How many students are enrolled each year (by levels) in the current system?
- How many hours per day do students (by levels) attend the current facilities?
- Is it possible for the target population to be served by existing facilities? If not, why not?
- Is it possible to use DL to upgrade the quality of existing facilities to improve the quality of training services? How can it be done?

Identify the appropriate technologies for a DL programme

Radio

- Are there existing radio stations that cover the target population?
- Would it be possible to utilise existing radio stations to provide DL services?
- Is the transmission quality and maintenance sufficient to support DL?
- How much would it cost to transmit finished programs?
- How much would it cost to produce a single, one-hour instructional radio programme?
- What is the time availability for such transmissions?
- If there is no current radio transmission, how much would it cost to establish the required capacity to support DL?
- Does the target population have portable radios?
- If not, how many radios would need to be provided to the students?
- Is the use of “community radio” possible in the project design?
- What would be the estimate of costs to establish the community radio infrastructure?
- Is data connectivity available in the geographical area to be served by the project?
- Are there other low cost sources of audio connectivity available? What do they cost?
Audio tape player
- Are audio tape players available in most students’ homes?
- If not, how many audio tape players would have to be procured to support the programme?
- How much would they cost?
- Are there facilities available for making and producing quality audio-tapes?
- How much would it cost (including planning, design and production) to produce a single, one-hour instructional tape?
- How much would it cost to copy 100 of the tapes and to transfer them to 100 students?

One-way, broadcast mode television
- Are there any existing broadcast studios capable and willing to provide DL programming on a regularly scheduled basis?
- How much would be charged for a one hour broadcast?
- Would it have to be live or could recorded materials be used (or a combination of both)?
- When would such broadcasts be available for DL?
- How much does it cost to produce a live one-hour broadcast (including planning and production costs)?
- Can broadcast television be used in the existing facilities?
- Are existing schools equipped to receive broadcast television?
- If not, what would it cost to provide existing schools with the capacity to receive broadcast television?
- Are televisions currently in the students’ homes? In community centres/tele-centres? If so, to what extent?
- If not what would it cost to equip a viable programme?

Video cassettes/DVD
- Related to the above, would videotapes be used as a technology to support broadcast television or as a stand-alone technology?
- Are there sufficient videotape players and televisions available in the schools to make effective use of videotapes?
- If not, how much would it cost to equip the target schools to receive programming?
- What does it cost to produce a single, one-hour videotape?
- Are facilities available to produce high quality videotapes?
- If so, do the facilities need upgrading?
- How much would the upgrading cost?
- If existing facilities are not available, how much would it cost to establish new facilities?
- Where would they be located?
- How much would it cost to copy and transfer the tapes to the students?
**Computers (CBL)**
- Do students have access to computers with sufficient capacity to support DL programming?
- If not, how much would it cost to provide the students with computer access?
- (including computers, furniture, printers, local area networks where required)?
- Where would the computers be located? In schools? In community centres? In established tele-centres? In cyber-cafés?
- Do translation requirements present any serious implementation problems in the use of computers to support DL?
- Would the project utilise commercial software and programming or would it be locally produced to better meet the needs of the students or would it be a combination of both?
- Would teacher training be required to use computers?
- If so, how much would it cost to train teachers adequately?

**Computers (CMC, e-mail)**
- Assuming that the use of computers (see above) is feasible, are there any Internet service providers available?
- If so, can two or more be teamed or linked to provide adequate coverage?
- How much would the ISPs cost per month for 128k bandwidth, broadband service through a dedicated line between the computer classroom to the ISP?
- What would the software cost be to use CMC in the programme?
- Would translation factors affect the use of CMC?
- What would it cost to prepare one hour of CMC programming (planning and production costs)?
- What would it cost to establish the central programme centre for this technology?

**CD-ROM’s**
- How will CD-ROM’s be used, as central sources programs on CMC or will they be sent out to telecentres or individuals as free-standing RDL programs?
- How much would it cost to produce a new CD-ROM (design, planning and production)?
- How much would it cost to replicate and distribute the finished CD-ROM to the students, schools or telecentres?
- Will the CD-ROM’s need to be updated on a timely basis? If so, how many times a year?
- How much will the update service cost including the replication and redistribution to students, schools or telecentres?
- Would translation be required in the CD-ROM’s?
- If so, how much would it cost per CD-ROM?
Print

- How many pages of print would be required for each Student learning hour (SLH)?
- How will the print be produced? Does the capacity currently exist?
- If not, what would be required to establish the capacity to produce printed instructional content to support the other technologies used in DL?
- How much would it cost, on the average, to design, write and produce the pages of print required for one SLH?
- How much would it cost to distribute the printed materials to the students, schools or tele-centres?12

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12 Goldman, J (Editor); Woo, S; McGough, R; de León-Jones, E; Bates, T; Moock, P R: “Rural Distance Learning Toolkit”, 2004 (Adapted).
Item 22:
Student Self-Assessment Form for Distance Learning

Example A)
Is distance learning right for you?
Make an informed decision - before you enrol in a distance learning class - by taking our quiz. The first questions deal with general readiness and the last four deal with technical readiness. You should complete both, especially if you intend to take an online course. Thanks to Wenatchee Valley College for the use of this assessment tool. To get the best results, answer the questions with complete candor.

Note: This test is a self assessment tool for your personal use, it does not gather, send, post, or store any information about you or your results.

General Questions
1. My need to take a distance learning course is:
   a) High – I need it for graduation, my major or my job
   b) Medium – I could take it later, on campus, or substitute another course
   c) Low – it’s for personal interest; I can take it anytime
2. Feeling that I am part of a conventional class is:
   a) Not especially important to me
   b) Somewhat important to me
   c) Very important to me
3. When I have an important assignment to do, I usually:
   a) get it done ahead of time
   b) need reminding to get it done on time
   c) put if off until the last minute
4. Classroom discussion is:
   a) not usually helpful to me
   b) sometimes helpful
   c) often very helpful to me
5. When an instructor hands out instructions for an assignment, I usually prefer to:
   a) figure out the instructions for myself
   b) try to follow the instructions on my own, and ask for help when I need it
   c) have the instructions explained to me
6. I like to get an instructor’s comments on my exams and assignments:
   a) within a couple of weeks, so I can review what I did
   b) within a few days, or I forget what I did
   c) right away, or I get frustrated
7. Considering my schedule, the amount of time I expect to devote to distance learning course is:
   a) more than enough time for a conventional class
   b) about the same time as for a conventional class
   c) less time than I would devote to a conventional class
8. When asked to use computers, e-mail, voice mail, programme my VCR or try other technologies new to me:
   a) I look forward to learning new skills, and usually master them quickly
   b) I’m a little nervous, but try them anyway
   c) I put them off or avoid them
9. As a reader, I am:
   a) very confident; I understand textbooks easily, with little or no help
   b) average; sometimes I need help, or a tutor
   c) I have trouble understanding textbooks; I depend on lectures, discussions and tutoring
10. I can easily and conveniently get to the Pierce College campuses or centres:
   a) most anytime
   b) evenings or Saturdays, if I schedule it carefully
   c) almost never; I would have great difficulty getting to campus at anytime

11. I have completed:
   a) more than 50 college credits
   b) 25 to 49 college credits
   c) fewer than 24 college credits

**Technical Questions**

1. I have owned and/or used a computer regularly:
   a) for over a year
   b) for between a month and a year
   c) for a month or less

2. I have had an Internet service provider:
   a) for over a year
   b) for between a month and year
   c) for a month or less

3. I would describe my e-mail skills as:
   a) advanced – I use e-mail daily in both conversational and more formal
      messaging
   b) intermediate – I use e-mail regularly in conversational messaging
   c) minimal – I am just learning to use my e-mail account

4. I would describe my word-processing software skills as:
   a) advanced – I use a word processor daily to create advanced documents
   b) intermediate – I use a word processor regularly to write simple documents
   c) minimal – I am just learning to use my word processor

**Example B)**

**Determine if a Distance Learning course is right for you!**

Review these characteristics and indicate with a "yes" or "no" how each applies to you.

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) I am self-motivated and self-disciplined.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2) I am a good &quot;time manager&quot;.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3) I am willing to commit 6 to 10 hours of my time each week to a Distance Learning class.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4) I am comfortable working with computers.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5) I can communicate effectively through e-mail, discussion boards and chat rooms.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6) I have convenient and frequent access to a computer with an Internet connection.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7) I am comfortable with e-mail, word processing, and with using the Internet.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8) I am able to express my thoughts and opinions in writing.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9) I can read analytically and critically.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10) I do not give up easily and am willing to seek help when necessary.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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   www.pierce.ctc.edu
14 South Western Illinois College. USA Website: www.southwestern.cc.il.us
Example C)
Are you ready to participate in a distance-learning programme? Find out by answering the questions below. Read each statement and decide if the statement best describes you in four different areas: learning environment; you as a learner; course expectations; and technology. Keep track of the total number of "yes" answers, and use this number to determine your readiness for distance learning.

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
<th>Your learning environment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>I have a specific place where I will be able to study and work on my course assignments.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>The place I will study is relatively free from interruptions.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>You as a learner</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>I am a self-motivated student.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>I complete what I start.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>I am able to work independently with little direction.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>I am capable of self-discipline.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>I am an organised person who is able to structure my own time and surroundings.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>I generally do not get easily discouraged when I run into difficulties.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>I believe that what I learn or do not learn is ultimately my own responsibility.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>I think of myself as a good student (e.g., take good notes, prepare and study for examinations, write well, employ good study habits).</td>
</tr>
<tr>
<td></td>
<td></td>
<td>I can read for comprehension at the level of courses I am interested in from a range of materials: books, journals, websites, etc.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>I am comfortable calling or emailing an instructor to ask questions about his/her course.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>I am comfortable making points and asking questions for clarification (face-to-face, by email, in a listserv or online discussion).</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>Your course expectations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>I expect to be able to spend 2-3 hours on my training course, every week.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>I would expect to spend as much time in a distance-learning course as a regular face-to-face course.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>You and technology</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>I am comfortable learning new technology skills if need be.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>I am comfortable working on the computer and acquiring information through the Internet.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>I can work independently, without the traditional class arrangements (students and teacher in the same class at the same time).</td>
</tr>
<tr>
<td></td>
<td></td>
<td>I can work co-operatively with classmates to complete a project using email or an Internet-based discussion forum.</td>
</tr>
</tbody>
</table>

**Totals**

**Scoring:** If you have 14 or more "yes" answers you would be a good candidate for the distance learning courses and programs listed. If your score is less than 14 (13), you may wish to rethink your reasons for wanting to enrol in distance-delivered courses. If you would like help in deciding whether courses or programs in might be right for you, it is recommended that you speak with a course trainer about your learning goals.
## Item 23: Distance Learning Checklist to Choose Technology

<table>
<thead>
<tr>
<th>Technology type</th>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Audio-conference</strong>: Training through telephone connection. Audio only; no visual. Send pre-work via mail, email, or fax in advance. Discuss as a group in an audio-conference with multiple sites.</td>
<td>Inexpensive and relatively easy to set up</td>
<td>No visual cues</td>
</tr>
<tr>
<td><strong>Audio-graphics</strong>: Computer and phone linkage. Participants listen and respond to the trainer via speaker phone, while observing computer screen training. They respond with a writing whiteboard linked to their computer screens. All sites linked &quot;live&quot; at the same time. All linkage via phone lines.</td>
<td>Includes visual and auditory components; very interactive</td>
<td>Requires purchase of software and whiteboard; needs expert to set up</td>
</tr>
<tr>
<td><strong>Video-conferencing</strong>: Television screens at all sites with camera and microphones to transmit visual images and audio. Trainer and participants can see and hear each other at multiple sites. Data and graphics can also be transmitted.</td>
<td>Two-way video, audio, and data; very interactive</td>
<td>Cost to purchase equipment can be high; consider renting</td>
</tr>
<tr>
<td><strong>Desktop Video-conference</strong>: Same as group video-conference, but participants sit at a computer with camera and microphone attached. Can see trainer, other participants, and data on computer screen, and hear/participate in all conversations.</td>
<td>Participants can take part at their own desks; very interactive</td>
<td>New technology; not readily available, but low cost</td>
</tr>
<tr>
<td><strong>Computer Conference (Internet, email)</strong>: Training via email or the Internet. Training manual sent to participants online; they read and respond via online discussions (one-way: copy each other on responses or two-way; use a &quot;live chat&quot; function and &quot;talk&quot; at same time online).</td>
<td>Easy to design and implement; very effective for small classes</td>
<td>Must have email or Internet access; need accountability for participation</td>
</tr>
<tr>
<td><strong>One-Way Satellite/Microwave</strong>: Training programme delivered via satellite or microwave link. Participants watch, then respond via phone, fax, or email. (Microwave links are becoming outdated, due to cost and distance limitations).</td>
<td>Good for short, informational-type courses with wide audiences</td>
<td>Can be boring if not designed correctly; old method</td>
</tr>
<tr>
<td><strong>Two-Way Satellite/Microwave</strong>: Same as above, but with television cameras at participants' end so there is two-way video and audio. Similar to video-conferencing, but with different equipment.</td>
<td>Two-way video and audio; very interactive</td>
<td>Incredibly expensive; rarely done</td>
</tr>
<tr>
<td><strong>One-Way Satellite with Keypad</strong>: Same as one-way satellite above, but with electronic keypad as a response tool for participants. They respond to the trainer by selecting their choice on the keypad. Answers are displayed on a TV screen at all sites.</td>
<td>More interactive than one-way; participants prefer it</td>
<td>Cost goes up with keypads; installations issues</td>
</tr>
</tbody>
</table>

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**Voice-mail:** Trainer sends out material in advance, then asks participants to leave responses on voicemail. Trainer responds to each via voicemail. Can also set up so all participants hear each others' responses and have discussion.  
Easy to implement; low cost; good for short classes  
Need good course design; must install voicemail

**Cable/Broadcast Television:** Same as one-way satellite/microwave, but with cable television. Instructor teaches from a TV station. Materials sent in advance; participants respond via phone, fax, or email. Used by many universities for home study.  
Good for short, informational-type courses with wide audiences  
Can be boring if not designed correctly; old method

**Printed Materials:** The oldest distance learning technology; send printed materials with course lesson. Participants mail responses back. Trainer provides feedback via mail or phone. This is the model used in correspondence courses.  
Simple to implement; inexpensive  
Need good course design; participants must be motivated to finish

**Video-tape:** Mail out videotape with course. Participants respond to trainer via phone, fax, or email. Older method of distance learning.  
Same as above  
Same as above

**Audio-tape:** Mail out audiotape with course. Participants respond to trainer via phone, fax, email, or they make own audiotape response. Old method.  
Same as above  
Same as above

**Computer Disk/CD-ROM/Laser Disc:** Mail out with course. Participants respond to trainer via phone, fax, email, or computer disk.  
Same as above  
Same as above

**Radio broadcast:** Course broadcast via radio waves. Participants respond via mail or phone.  
Can reach many people across vast distances  
Viable option for rural areas

**Virtual Reality:** Participants placed in a realistic situation to learn a new skill where they must respond verbally, visually, and physically. Involves computer simulation of some type. A flight simulator is a good example. Other equipment includes virtual reality technology.  
Taps into all senses and leaning styles; exciting experience  
Technology very new; costs very high; not yet readily available
Item 24: **Workplace Assessment Model Process**

**Assessment request**
- Candidate
- Employer
- Supervisor/coach

**Purpose and context of assessment is established**
Training based assessment or recognition process
On/off job assessment

**Consult:**
- Workplace policies, legislation, codes of practice, working procedures & standards
- Technical experts
- Employers, Supervisors

**Assessment Planning Stage 1 – Establish the assessment context**
Develop a picture of competence
Based on: Job description, enterprise needs, competency standards
**Study Units of competence**
Establish evidence needed to demonstrate competent performance.
Establish possible assessment methods, procedures & tools
**Design self-assessment tool for candidate**

**Make arrangements for assessment event**
- Dates times, assessment resources required
- Liaise with employer/supervisor

**Meet with the Candidate - Prepare the candidate for assessment**

**Conduct pre-assessment interview**
Does the candidate know what they have to do?
Does the candidate know what you will be doing?
Have dates, times, etc been fixed?

**Conduct self-assessment activity**
Does candidate know how to provide evidence of competence?
Is the candidate ready or have skill/knowledge gaps been identified?
Is recognition of prior learning (RPL or RCC) appropriate?
Should ‘reasonable adjustments’ be made to assessment methods, tools, procedures?

**Confirm assessment arrangements**
- Contact employer, supervisor, candidate, technical expertise as appropriate

**Assessment Planning Stage 2 – Plan and prepare the evidence gathering process**
Document detailed assessment plans include:
Units to be assessed,
Evidence to be collected
Assessment methods and tools
Assessment procedures
Reasonable adjustments
Recording procedures and forms

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Provide feedback to candidate

- **Competent:** Qualification awarded and possible future directions
- **Not yet competent:** Identify skill/knowledge gaps Suggest further training options/more evidence prior to re-assessment Advise of Right of Appeal

Conduct assessment - Collect evidence and make assessment decision

Collect evidence of competence – Make sure the following are met:
- Principles of assessment
- Rules of evidence
- Competency Standards
- Dimensions of competence
- Key competencies

**Make assessment decision** – competent/not yet competent Leading to:
- Qualification
- New job
- Promotion
- More training

Participate in reassessment and appeals processes where necessary

- Report disputed assessment decisions to the appropriate personnel in the RTO
- Participate in the reassessment or appeal process as directed

Record and report the assessment result

Follow Training Organization policies and procedures re assessment records to:
- Record assessment outcomes
- Provide records of the assessment procedure, evidence collected and the outcome
- Maintain appropriate confidentiality of the assessment outcome
- Organize the issuing of qualifications and/or Statements of Attainment

Participate in assessment validation meetings and processes

Assist in the setting up, conduct and reporting of validation processes as guided by the RTO in the achievement of consistency in assessment events

Review, compare and evaluate assessment processes, tools and evidence made and gathered by a range of assessors against the same standard

Review the assessment process

Report on the positive and negative features of the assessment to those responsible for the assessment

If necessary, suggest ways to improve the assessment procedures, methods, tools, costing, etc
Item 25:
Unit of Competence Example

Unit Title: WRRCA1B: Operate retail equipment

*Unit Descriptor*

This unit involves the skills, knowledge and attitudes to operate a variety of retail equipment. It involves identifying the correct equipment required for a given task, maintaining retail equipment, applying keyboard skills and operating data entry equipment.

*Elements of Competence and Performance Criteria*

**Maintain retail equipment**
- Purpose of equipment used in store/department is identified accurately
- Equipment is operated according to design specifications
- Equipment faults are identified and reported to appropriate personnel
- Maintenance programme for retail equipment is identified and applied according to store policy.

**Apply keyboard skills**
- Keyboard is operated using typing techniques within designated speed and accuracy requirements
- Information is entered and edited accurately.

**Operate data entry equipment**
- Data is entered using relevant equipment according to store policy and procedures
- Price marking equipment is operated according to manufacturer's instructions and store policy
- Data is entered accurately and within designated time limits.

**Range of Variables**

The Range of Variables provides the range of applications for this unit of competency to allow for differences within enterprises and workplaces. It provides details of practices, knowledge and requirements referred to in the elements and performance criteria. The variables chosen in training and assessment will depend on the work contexts. The following variables may include but are not limited to:

**Store policies and procedures in regard to:**
- store administration
- clerical systems.
Retail equipment may include:
- point of sales terminals
- electronic bar coding equipment for price labelling and stocktaking
- portable data entry
- printers
- electronic ordering equipment
- wrapping and packing equipment such as shrink wrapping
- equipment for carrying or moving merchandise
- equipment for storage of merchandise including refrigerators
- weighing machines
- thermometers
- dye tag removers
- trolley return equipment
- computers
- numerical keyboard equipment including calculators.

Appropriate personnel may include:
- supervisor
- team leader
- manager.

Evidence Guide
The following components of the evidence guide relate directly to the performance criteria and the range of variables for the unit of competency and provide guidance for assessment of the unit in the workplace and/or training programme.

Critical Aspects of Evidence
Competency in this unit requires evidence that the candidate:
- Operates a range of store retail equipment according to store policy and procedures and industry codes of practice
- Operates and maintains a range of store retail equipment according to manufacturers' instructions and design specifications
- Applies store maintenance programme and reports faults/problems
- Consistently applies safe work practices, in the operation and maintenance of store retail equipment, according to occupational health and safety legislation/regulations/ codes of practice
- Reads and interprets operation manuals to solve routine faults/errors and maintains and uses the equipment effectively
- Uses keyboard skills to enter and edit data accurately
- Completes tasks in set time frame.
Underpinning Skills and Knowledge required for this unit

Knowledge and skills are essential to apply this unit in the workplace, to transfer to other contexts and deal with unplanned events. The requirements for this unit of competency are listed below:

**Knowledge of:**
- Store policies and procedures, in regard to:
- The operation of store retail equipment
- Maintenance of store retail equipment
- Reporting problems and faults
- Relevant legislation and statutory requirements
- Relevant occupational health and safety regulations
- Relevant industry codes of practice
- Purpose and impact of using electronic technology
- Operation and maintenance of store retail equipment
- Licensing requirements for carrying/moving merchandise (if applicable).

**Skills in:**
- Completing tasks in set time frame
- Dealing with different types of transactions
- Following common fault finding procedures
- Operation and use of store retail equipment
- Literacy and numeracy skills in regard to:
  - Reading store procedures for
  - Operating equipment.

**Key Competencies**

There are a number of processes that are learnt throughout work and life that are required in all jobs. They are fundamental processes and generally transferable to other work functions. Some of these are covered by the key competencies, although others may be added.

The questions below highlight how these processes are applied in this unit of competency.

Following each question a number indicates the level to which the key competency needs to be demonstrated where

- 0 = not required
- 1 = perform the process
- 2 = perform and administer the process,
- 3 = perform, administer and design the process.

- How can **communication of ideas and information** be applied? Reporting equipment faults to appropriate personnel will require the communication of ideas and information. (1)
- How can **information be collected, analysed and organised**? Maintaining retail equipment according to store policy will require information to be collected, analysed and organised. (1)
- How are **activities planned and organised**?
  Entering and editing information will require activities to be planned and organised. (1)

- How can **team work** be applied?
  Team work will be applied when reporting to other staff members. (1)

- How can the use of **mathematical ideas and techniques** be applied?
  Entering data will require the use of mathematical ideas and techniques. (1)

- How can **problem-solving skills** be applied?
  Maintaining equipment and identifying faults will require problem-solving skills. (1)

- How can the **use of technology** be applied?
  The use of technology will be applied when operating retail equipment. (1)

<table>
<thead>
<tr>
<th>Key Competency</th>
<th>Performance Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>How can information be collected, analysed and organised?</td>
<td>1</td>
</tr>
<tr>
<td>How are ideas and information communicated within this competency?</td>
<td>1</td>
</tr>
<tr>
<td>How are activities planned and organised?</td>
<td>1</td>
</tr>
<tr>
<td>How are problem solving skills applied?</td>
<td>1</td>
</tr>
<tr>
<td>How are mathematical ideas and techniques used?</td>
<td>1</td>
</tr>
<tr>
<td>How is use of technology applied?</td>
<td>1</td>
</tr>
<tr>
<td>How is team work used within this competency?</td>
<td>1</td>
</tr>
</tbody>
</table>

**Context of Assessment**

**Assessment Process**

For valid and reliable assessment of this unit, evidence should be gathered through a range of methods to indicate consistent performance.

It can be gathered from assessment of the unit of competency alone, through an integrated assessment activity or through a combination of both.

Evidence should be gathered as part of the learning process.

**Holistic Assessment**

Evidence is most relevant when provided through an integrated activity which combines the elements of competency for each unit, or a cluster of units of competency.

The candidate will be required to:

Apply knowledge and skills which underpin the process required to demonstrate competence, including appropriate key competencies.

Integrate knowledge and skills critical to demonstrating competence in this unit.

Unit WRRCA1B can be assessed with other units which make up a particular job function.
Assessment Methods
Evidence should include products, processes and procedures from the workplace context or from a simulated work environment. Evidence might include:

- Observation of the person in the workplace
- A simulated role play
- Third party reports from a supervisor
- Customer feedback
- Answers to questions about specific skills and knowledge.

Assessment resources required
- A real or simulated work environment
- Relevant documentation, such as:
  - Store policy and procedure manuals
  - Manufacturer's instructions/operation manuals
  - A range of store retail equipment.
### Item 26:
**Examples of Competency-based Assessment Tools**

<table>
<thead>
<tr>
<th>Performance Checklist</th>
</tr>
</thead>
<tbody>
<tr>
<td>Candidates Name</td>
</tr>
<tr>
<td>Assessors Name</td>
</tr>
<tr>
<td>Units of Competency</td>
</tr>
<tr>
<td>Name of Workplace</td>
</tr>
<tr>
<td>Date of assessment</td>
</tr>
<tr>
<td>Assessment procedure</td>
</tr>
<tr>
<td>During the demonstration of skills did the candidate:</td>
</tr>
<tr>
<td>Identify correct equipment for tasks</td>
</tr>
<tr>
<td>Operate a range of equipment in accordance with store procedures</td>
</tr>
<tr>
<td>Operate equipment safely and effectively</td>
</tr>
<tr>
<td>Maintain equipment according to store and manufacturers instructions</td>
</tr>
<tr>
<td>Complete tasks in the time frame required for each task</td>
</tr>
<tr>
<td>Enter and edit data and information in accordance with store procedures</td>
</tr>
<tr>
<td>Use effective keyboard skills to enter data and information</td>
</tr>
<tr>
<td>The Candidates performance was</td>
</tr>
<tr>
<td>Not yet competent</td>
</tr>
<tr>
<td>Feedback provided to the candidate</td>
</tr>
<tr>
<td>Candidate signature</td>
</tr>
<tr>
<td>Assessors signature</td>
</tr>
</tbody>
</table>
### Verbal questions to support Performance checklist

<table>
<thead>
<tr>
<th>Candidates Name</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessor’s Name</td>
<td></td>
</tr>
<tr>
<td>Units of Competency</td>
<td>Operate Retail Equipment</td>
</tr>
<tr>
<td>Name of Workplace</td>
<td></td>
</tr>
<tr>
<td>Date of assessment</td>
<td></td>
</tr>
</tbody>
</table>

**Assessment procedure**

Questions may be asked before, during or after performance of tasks. If asked during the performance of tasks they must be done in such a way that the candidate is not disadvantaged.

<table>
<thead>
<tr>
<th>Candidates responses to questions were:</th>
<th>Satisfactory</th>
<th>Not Satisfactory</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1. What are the occupational Health and Safety issues you should be aware of in carrying out your tasks?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q2. If equipment you are operating is found to be faulty what procedure do you follow to rectify this?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q3. What procedure do you follow if your cash register goes offline?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q.4 What procedures do you follow for price marking if there is a ‘special deal’ in the store?</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**The Candidates knowledge of the task was:**

Competent | Not Yet competent

Feedback provided to the candidate

Candidate signature

Assessors signature
### Third Party Checklist

<table>
<thead>
<tr>
<th>Candidates Name</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Unit of Competency</td>
<td>WRRCA1B: Operate retail equipment</td>
</tr>
<tr>
<td>Name of third Party</td>
<td></td>
</tr>
<tr>
<td>Third party role in organization</td>
<td></td>
</tr>
</tbody>
</table>
| Work functions assessed | Maintain retail equipment  
Apply keyboard skills  
Operate data entry equipment |
| Equipment used may include: | Point of sales terminals, electronic bar coding equipment for price labelling and stocktaking, portable data entry, printers, electronic ordering equipment, wrapping and packing equipment such as shrink wrapping, equipment for carrying or moving merchandise, equipment for storage of merchandise including refrigerators, weighing machines, thermometers, dye tag removers, trolley return equipment, computers, numerical keyboard equipment including calculators |

<table>
<thead>
<tr>
<th>The candidate demonstrated competent performance</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Using a range of retail equipment according to store policy and procedures</td>
<td></td>
</tr>
<tr>
<td>Following occupational health and safety guidelines and safe store policy and procedures</td>
<td></td>
</tr>
<tr>
<td>Working with others and in teams</td>
<td></td>
</tr>
<tr>
<td>Solving problems and rectifying faults in the use of retail equipment</td>
<td></td>
</tr>
<tr>
<td>Working within designated timelines</td>
<td></td>
</tr>
</tbody>
</table>

| Signed | Date: |
**Item 27: Assessment Tools Overview**

<table>
<thead>
<tr>
<th>Forms of Evidence</th>
<th>Assessment Methods</th>
<th>Assessment Tools</th>
<th>What is the tool designed to do?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workplace observation</td>
<td>Performance checklist</td>
<td></td>
<td>Assess elements of competence, performance criteria, underpinning skills, dimensions of competence</td>
</tr>
<tr>
<td>Simulation scenario</td>
<td>Simulation scenario instructions for candidate and assessor</td>
<td>Performance checklist</td>
<td>As above</td>
</tr>
<tr>
<td>Video of workplace performance</td>
<td>Performance checklist</td>
<td></td>
<td>As above</td>
</tr>
<tr>
<td>Presentation/Skill demonstration</td>
<td>Performance checklist</td>
<td></td>
<td>As above</td>
</tr>
<tr>
<td>Verbal questioning</td>
<td>Specific response questions: (Yes/no, correct/not correct, Where are...where would...what is...) Detailed response questions (What would you do if...How would you...)</td>
<td></td>
<td>Assess underpinning knowledge/dimensions of competence/generic skills Knowledge of task procedures Knowledge of Health &amp; Safety standards</td>
</tr>
<tr>
<td>Interview</td>
<td>Prepared questions</td>
<td></td>
<td>As above for verbal questioning</td>
</tr>
<tr>
<td>Candidate’s self assessment</td>
<td>Self assessment checklist</td>
<td></td>
<td>Assess candidates awareness of own strengths/identify skill gaps/identify where further evidence can be provided</td>
</tr>
</tbody>
</table>
### Indirect Evidence

<table>
<thead>
<tr>
<th>Product examination</th>
<th>Product checklist</th>
<th>Assess consistency of standard of finished products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Written questions</td>
<td>Specific response questions (True/false; Multiple Choice; Fill in the gap) Detailed response questions (Exam, test, assignment, short answer)</td>
<td>As above for verbal questioning</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Assignment tasks</th>
<th>Assignment tasks/questions Model answers</th>
<th>As above for verbal questioning</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portfolio of work</td>
<td>Model portfolio Portfolio items Checklist</td>
<td>Assess breadth and consistency of standard of completed work</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Supervisors report</th>
<th>Third party evidence checklist Prepared questions</th>
<th>Assess candidate’s application of skills, work attitudes, generic skills. Provides additional evidence of consistency of standard of candidates work or Assessment evidence where direct evidence is not appropriate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supplementary Evidence</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Colleague reports</td>
<td>Evaluation forms Third party evidence checklist Prepared questions</td>
<td>As above for Supervisor report</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Role play
- Prepared scenario Follow-up questions
- Assess problem solving skills, contingency management skills, underpinning knowledge

### Case studies
- Case study and questions Model answers
- Assess above for role play

### Research project
- Research topics and guidelines
- Assess higher levels of competency Dimensions of competence

### Journal/Diary
- Journal headings
- Assess candidates task management skills, underpinning knowledge, generic skills

### Testimonials
- Letters to employers outlining what is required
- Assess candidates application of task skills and knowledge, work attitudes, generic skills

### Evidence of training
- Qualification details Authentication of training form Trainer report checklist
- Assess candidates prior learning, underpinning skills and knowledge
Item 28:

Assessment Case Studies

Case Study 1: Working in Partnership with Industry

A private training provider was engaged by a prominent insurance group to develop and implement a workplace assessment strategy across the organization.

Industry Perspective

The RTO was approached by the insurance group because of its experience in working with enterprises and conducting workplace assessments. The project involved the development of an assessment strategy to be implemented for 700 staff across the organization.

Key issues for the enterprise were:

- To set a national training benchmark for staff
- To establish a consistent approach to assessment that has integrity and credibility
- To design assessment procedures and tools specific to the organization and the workplace context
- To have both internal "content experts" and staff from the RTO in the workplace to conduct assessments and to interpret the insurance units of competence in the business context
- To ensure quality procedures were followed by both parties
- To establish training pathways within the organization that allow for recognition of skill, gap training and the issue of nationally recognised qualifications.

Both parties worked together to develop a flexible, cost-effective, resource-efficient and uncomplicated approach to workplace assessment. Decisions were made at regular meetings, considering matters such as when to consult with staff, how to communicate with staff, the resources to use, the length of time the assessment should take, what evidence to gather, and the desired outcomes.

Enterprise staff were very satisfied with their engagement with the RTO. The RTO was responsive to the organization's business needs and able to provide additional services, such as assessor training for staff. Enterprise staff felt supported by management as a result of the process, and are reaping the rewards from this commitment to training. This approach has reduced the enterprise's overall training costs as it now has internal assessors who can assist in implementing the recognition process in consultation with its RTO.

The Training Organization Perspective

The RTO thoroughly researched the enterprise and the insurance industry at the onset. "Our main objective was to add value to our client's business goals while issuing a qualification," said the RTO's director. "We needed to understand what they were already doing well and build on their best practices."

The parties conducted information sessions and over 700 individual consultations for enterprise staff with each staff member receiving a customised assessment.

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planner. RTO staff "lived" at the enterprise offices for the life of the initial assessments, learning the client's systems, interacting with staff and conducting assessments at appropriate times. Moderation meetings with all assessors at interstate branches ensured a consistent assessment approach was maintained. Holistic, customised assessment tasks were created for the enterprise using current procedures and real work tasks.

The RTO continues to invest resources for the maintenance of the assessment approach. It conducts annual assessments to ensure that staff members' competence is maintained. Assessment tools can be downloaded from the RTO website for enterprise assessors to ensure the consistency and quality of assessments. The success of the joint decision making process has cemented a long-term relationship between the parties.

**Case Study 2: West Coast College of Technical and Further Education**

A partnership between West Coast College of TAFE in Western Australia and the large retail outlet Kmart has resulted in the development of a training programme for Kmart employees nationwide. The Retail toolbox is used to deliver qualifications from Certificate II in Retail for trainees and experienced employees. The programme combines online delivery, with ongoing assessment processes culminating in an on-the-job demonstration of competency in which the assessment of a number of units of competency are integrated.

A key feature of the programme is the degree of support given to employees which includes:

- Off-the-job support from the West Coast College facilitator of the online programme, through email, chat online and bulletin board
- On-the-job support from managers and supervisors acting in the capacity of coaches and workplace assessors.

Kmart personnel in the role of coaches and assessors are trained in Certificate IV in Workplace Training and Assessment by West Coast College.

For Kmart employees undertaking the training, assessment tasks in the toolbox are customised to reflect the processes and practices of the workplace. These include:

- Locating and using workplace documents
- Investigating and analysing workplace policies and procedures
- Interacting with colleagues to find information or solve problems.

Assessment tasks throughout the toolbox are designed as ongoing checks of skill and knowledge development and are directly linked to workplace-based activities. Tasks include, but are not limited to:

- Filling in checklists, such as product knowledge, where students investigate a product at work and find out information
- Writing brief reports

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18 www.tafe.wa.gov.au
• Participating in a ‘sales challenge’ game in which students are awarded points for giving correct responses associated with areas such as solving workplace issues or dealing with customers
• Using the bulletin board to post information about tasks to share with others
• Using chat online for teamwork and problem solving activities.

The West Coast College facilitator maintains regular contact with employees through email. This includes feedback on assessment tasks and advice on where to find information in the workplace.

The training culminates in an on the job assessment that is signed-off by the workplace coach/assessor. The workplace coach/assessor is required to consider the employee's performance over a period of time in response to questions about the employee’s competency against specified units. Evidence of competency is therefore determined through a combination of methods that ensure the employee’s ability to apply the knowledge and skills developed in the training to the standard required at the workplace.

Case Study 3: Central Gippsland Institute of Technical and Further Education

Apprentices studying Certificate III in Automotive Body Repair through Central Gippsland Institute of TAFE, Yallourn campus, are located across 22 employers in the geographical region of Gippsland, Victoria.

The programme is designed to maximise the time students spend on-the-job to enable the development of comprehensive skills in the automotive body repair trade with access to the broad range of machines and equipment they are required to become competent in using. Greater emphasis on workplace competency enables the integration of skills and knowledge learning with practical application. In addition to on the job training, students also attend at the Yallourn campus for the development of underpinning automotive body repair content knowledge and to work in the TAFE workshop.

The head of department at the TAFE has implemented an online assessment process to enable students to provide evidence of competency through the provision of digital images of their on the job work which are emailed to the lecturer. Currently 10 of the 22 workplaces are using digital images for assessment purposes. This is a three-way process, integrating assessment with learning through supporting evidence that includes the following:

• the filling in of an on the job repair card by the student, detailing the type of vehicle, type of repair and tools used
• on-the-job employer/supervisor comments regarding the student’s work
• supplementary questioning by the lecturer.

Typically, a set of digital images is provided to enable the lecturer to see the sequence of repair followed by the student. When the lecturer receives the images, he is able to zoom in and out to examine in close detail the quality of the work. This along with other evidence as described above, allows competency to be determined. The lecturer believes that the quality of the images is so good, it

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is the same as attending at the workplace and looking at the actual work performed by the student.

Digital imaging, in this instance, also allows for the integration of evidence collection across units of competency, for example there is a cross-over of skills required to show competency in the units Remove and replace panels and Preparation for plastic repair.

Digital evidence is stored and cross-referenced with relevant units of competency. When making workplace visits, the lecturer takes his laptop to retrieve the digital images to discuss a student’s work with the employer/ supervisor. This allows for the identification of skills gaps, training needs and, where necessary, modification to the apprentice’s individual training plan.

The next step in this programme is to investigate the possibility of video imaging whereby a student can work on a job whilst the images are being relayed to the lecturer for assessment.
Item 29:

Case Studies

a) BRAZIL

Certification of quality of SENAI of Santa Catarina

In October of 1997, The National Industrial Learning Service 'SENAI' in Santa Catarina Brazil - certified the introduction and use of a system of quality for the area of "education for work and technology as well as technical and technological assistance". The Standards used were the ISO-9000. The motivation of SENAI was to demonstrate to its clients that they simultaneously work with quality in its five units (corporate management of the regional direction and the training centers of Cazador, Criciúma, Jaraguá del Sur and Rio del Sur), facilitate the relations with clients and suppliers, reduce dissatisfaction with products and train the human resources seeking quality in all the actions developed.

At the corporate level they adopted: an explicit policy on quality, a manual for quality and the service instructions. Each operative unit adopted a manual for quality, a manual of administrative and technical procedures, guidelines for the operative procedures and registers of quality.

The SENAI also has an internal system for the evaluation of quality of the Training Centers in its umbrella group. This evaluation system allows the SENAI to grant centers with the certification "Model Center of Vocational Training" and "National Center of Technology."

The system follows the criteria of the National Quality Programme. The following items are taken into account: Process Management, People Management, Leadership, Strategic Planning, Client and Market focus, Results and Information Management. The evaluation has three levels of conformity to the criteria which correspond to the categories: bronze, silver and gold.

b) PERU

Certification of SENATI

In Peru, the National Industrial Technical Training Service (SENATI) received the certification of quality according to the standard ISO 9001 by the Bureau Veritas Quality International. The institution obtained the Certification for its Vocational Training and Industrial Training Programs: Apprenticeship, In Service Training, Industrial technician, Industrial Teacher, Engineering technician, Continuous Training, Multimedia Training, Computer Science Training and the job list. The technical services on fabrication and non destructive rehearsal and consultancy for the medium and small enterprise have been also certificate in almost all its regional centers.

c) COSTA RICA

Certification of INA

The National Apprenticeship Institute (INA) of Costa Rica went through a process of modernisation that allowed the institution to participate in the accreditation process done by other public and private training centers. Following this process of modernisation, the Institute started the quality assessment process and
obtained in January 1999 the certification of its accreditation Unit extended by INTECO and AENOR (Spanish Association of Standardisation and Certification) according to the ISO-9002 standard.

**d) COLUMBIA**

**SENA (National Training Service): first State Institution in Colombia to obtain an Educational Quality Certification**

With the ICONTEC accreditation SENA ranks as a world class organization. The Institute's goal is to achieve certification of its remaining 114 training centres in the course of the forthcoming four-year period. This is the first time that ICONTEC has certified a State educational body in the design, development and delivery of integral classroom training services, which for SENA means national and international recognition of its educational processes.

"Along the road towards change and competitiveness, SENA could not have chosen a more adequate alternative than the implementation of quality management - that will enable it to be more efficient and productive and to offer better services to its clients, that include all citizens in Colombia", declared the Director of Icontec, Fabio Tobón Londoño.

The certification was formally handed over by the President of Colombia, Álvaro Uribe Vélez, to the Heads of the National Training Centres in Footwear and Leather Manufacture, Woodwork and Construction, Consuelo Gutiérrez de Quijano, María Adela López Cortez and Armando López Cardona, respectively.

"Certification of a Quality Management System in all 114 SENA Training Centres is one of the goals of the Institution's 2002-2006 Strategic Plan in line with the National Government's policy of modernizing public administration and strengthening institutional management, in response to the country's need for educating the lesser privileged Colombians" - asserted the Director General of SENA, Darío Montoya Mejía.

**e) AUSTRALIA**

**ABC Employment and Training Institution (fictitious) manages 2 training centres with 20 staff.**

To be registered as a Registered Training Organization (RTO) and deliver nationally accredited training they had to gain accreditation under the Australian Training Quality Framework (AQTF) this registration (which involves similar processes to ISO registration) is co-ordinated by the state training authority, the Vocational Education and Training Accreditation Board (VETAB). The cost of pre-certification: developing a policies and procedures manual was $1000. The trial audit cost $400 and the VETAB audit and registration $3000. Total Cost $4400. There is an annual fee of $1000 paid to VETAB to maintain registration.

ABC then decided to pursue ISO Registration. In addition to managing a RTO, ABC manages an Employment Agency and Case Management Services for disadvantaged jobseekers. The cost to obtain ISO Registration was $8500. This

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was comprised of $1250 in staff time for developing the manual and $7250 fee paid for the Audit to an ISO Registered auditing company for: pre-certification costs, initial audit and post certification costs.

Each year ABC is required to have a Surveillance Audit conducted by the auditing company at a cost of $5000. Every 3 years ABC is required to have a Re-certification Audit for approximately $5000. In addition ABC has a part time worker who is responsible for Quality management: conducts internal audits, reviews policies, co-ordinates continuous improvement and external audits.

\[ \text{f) NEPAL} \]

\textbf{F-Skill/Helvetas, Nepal}

Report: “Implementation of ISO at F-Skill”
F-Skill, Kathmandu, September 2004

\textbf{Timeline and Cost Implications of Implementing ISO}  

ISO 9001:2000 certification is a time consuming process. The time needed for certification depends upon the organization’s size, type and complexity of its activities and the competence of personnel. Therefore, ISO certification for F-SKILL can vary from three to five months.

The total costs of ISO 9001:2000 certification is approximately Nepalese Rupees 350,000 (Three hundred and fifty thousand only). Out of this, the pre-certification costs is approximately is Rs. 250,000 (Two hundred fifty thousand only) and the certification fee Rs. 100,000 (One hundred thousand only).
Breakdown of Certification and Registration Fee

1.0 Fees for ISO 9001:2000 application, assessment, certification and registration of F-Skill for the three-year certification period are as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1 Application</td>
<td>16,000/-</td>
</tr>
<tr>
<td>1.2 Assessment and Certification</td>
<td>16,000/-</td>
</tr>
<tr>
<td>1.3 Registration</td>
<td>28,000/-</td>
</tr>
<tr>
<td><strong>Sub Total</strong></td>
<td><strong>60,000/-</strong></td>
</tr>
</tbody>
</table>

2.0 Once the certificate is issued, it is valid for three years. Certification is followed by surveillance audits every six months.

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1 Surveillance I</td>
<td>8,000/-</td>
</tr>
<tr>
<td>2.2 Surveillance II</td>
<td>8,000/-</td>
</tr>
<tr>
<td>2.3 Surveillance III</td>
<td>8,000/-</td>
</tr>
<tr>
<td>2.4 Surveillance IV</td>
<td>8,000/-</td>
</tr>
<tr>
<td>2.5 Surveillance V</td>
<td>8,000/-</td>
</tr>
<tr>
<td><strong>Sub Total</strong></td>
<td><strong>40,000/-</strong></td>
</tr>
</tbody>
</table>

The Total Cost for certification therefore amounts to Rs. 100,000.00 (Rupees one hundred thousand only)

The total amount needed for certification is Rs. 350,000.00 (Rupees three hundred and fifty thousand only) starting from the consultancy process, registration and surveillance audits every three years.
## Breakdown of Pre-certification Process

<table>
<thead>
<tr>
<th>S.N</th>
<th>Activity</th>
<th>Fee (NRs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Identification and documentation of procedures being followed by F-Skill and mandatory procedures as required by the ISO 9001:2000 standard</td>
<td>50,000.00</td>
</tr>
<tr>
<td>2.</td>
<td>Formulation and finalisation of scope, quality policy, objectives and quality manual</td>
<td>10,000.00</td>
</tr>
<tr>
<td>3.</td>
<td>Determining effectiveness criteria and finalising the identified procedures</td>
<td>15,000.00</td>
</tr>
<tr>
<td>4.</td>
<td>Training on house keeping and</td>
<td>15,000.00</td>
</tr>
<tr>
<td>5.</td>
<td>Internal Auditor Training</td>
<td>30,000.00</td>
</tr>
<tr>
<td>6.</td>
<td>Discussion on the Management Review Meeting</td>
<td>20,000.00</td>
</tr>
<tr>
<td>7.</td>
<td>Internal Audit</td>
<td>30,000.00</td>
</tr>
<tr>
<td>8.</td>
<td>First Management Review Meeting</td>
<td>25,000.00</td>
</tr>
<tr>
<td>9.</td>
<td>Certification Audit</td>
<td>30,000.00</td>
</tr>
<tr>
<td>10.</td>
<td>Post certification assistance</td>
<td>25,000.00</td>
</tr>
<tr>
<td></td>
<td><strong>TOTAL</strong></td>
<td><strong>250,000.00</strong></td>
</tr>
</tbody>
</table>

The costs above have been prepared on the assumption that an auditor/consultant will be working with F-SKILL during the pre-certification process. One staff member of F-SKILL will devote approximately 4 working months (104 working days) for the above.

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21 Figures are based on a proposal submitted by Sibisu Management Consultants; an ISO certified company.
Based on figures submitted by ICL Certifications Nepal Pvt. Ltd., the only company in Nepal authorised to provide ISO certifications.

<table>
<thead>
<tr>
<th>S.No</th>
<th>Task</th>
<th>Months</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Appointment of Management Review</td>
<td>X</td>
</tr>
<tr>
<td>2</td>
<td>Formulation of Organization Chart</td>
<td>X</td>
</tr>
<tr>
<td>3</td>
<td>Quality Policy</td>
<td>X</td>
</tr>
<tr>
<td>4</td>
<td>Quality Objectives</td>
<td>X</td>
</tr>
<tr>
<td>5</td>
<td>Explanation of Process Model</td>
<td>X</td>
</tr>
<tr>
<td>6</td>
<td>Quality Plan</td>
<td>X</td>
</tr>
<tr>
<td>7</td>
<td>Approved vendor List</td>
<td>X</td>
</tr>
<tr>
<td>8</td>
<td>Training on House Keeping</td>
<td>X</td>
</tr>
<tr>
<td>9</td>
<td>Skill Matrix</td>
<td>X</td>
</tr>
<tr>
<td>10</td>
<td>Stamps to be made (Control, Draft, Specimen, Master)</td>
<td>X</td>
</tr>
<tr>
<td>11</td>
<td>Draft Manual</td>
<td>X</td>
</tr>
<tr>
<td>12</td>
<td>Draft Procedures</td>
<td>X</td>
</tr>
<tr>
<td>13</td>
<td>ISO Awareness Training</td>
<td>X</td>
</tr>
<tr>
<td>14</td>
<td>Status of Identified Records</td>
<td>X</td>
</tr>
<tr>
<td>15</td>
<td>Identification of members for Internal Auditors Training</td>
<td>X</td>
</tr>
<tr>
<td>16</td>
<td>Discussion &amp; Changes to the Quality Manual, Procedures, Quality plan</td>
<td>X</td>
</tr>
<tr>
<td>17</td>
<td>Selection of Certification Agency</td>
<td>X</td>
</tr>
<tr>
<td>18</td>
<td>Follow up of Records</td>
<td>X</td>
</tr>
<tr>
<td>19</td>
<td>Annual Training Calendar</td>
<td>X</td>
</tr>
<tr>
<td>20</td>
<td>Internal Auditor's Training</td>
<td>X</td>
</tr>
<tr>
<td>21</td>
<td>Application to the Certification Agency</td>
<td>X</td>
</tr>
<tr>
<td>22</td>
<td>Internal Audit Plan</td>
<td>X</td>
</tr>
<tr>
<td>23</td>
<td>Internal Audit Schedule</td>
<td>X</td>
</tr>
<tr>
<td>24</td>
<td>Briefing on Internal audits</td>
<td>X</td>
</tr>
<tr>
<td>25</td>
<td>Preparation of Non-Conformance Report(s)</td>
<td>X</td>
</tr>
<tr>
<td>26</td>
<td>Briefing on Management Review Meeting (MRM)</td>
<td>X</td>
</tr>
<tr>
<td>27</td>
<td>Date of Confirmation of Certification</td>
<td>X</td>
</tr>
<tr>
<td>28</td>
<td>Follow up of records</td>
<td>X</td>
</tr>
<tr>
<td>29</td>
<td>Follow up of Non-Conformance Report(s)</td>
<td>X</td>
</tr>
<tr>
<td>30</td>
<td>Closure of Non-Conformance(s)</td>
<td>X</td>
</tr>
<tr>
<td>31</td>
<td>Management Review Meeting</td>
<td>X</td>
</tr>
<tr>
<td>32</td>
<td>Preparation &amp; Distribution of Minutes of Management Review Meeting</td>
<td>X</td>
</tr>
<tr>
<td>33</td>
<td>Follow up &amp; Closure of Non-Conformance(s)</td>
<td>X</td>
</tr>
<tr>
<td>34</td>
<td>Outcome of the audit</td>
<td>X</td>
</tr>
<tr>
<td>35</td>
<td>Certification audit</td>
<td>X</td>
</tr>
<tr>
<td>36</td>
<td>Certification</td>
<td>X</td>
</tr>
</tbody>
</table>

*Based on figures submitted by ICL Certifications Nepal Pvt. Ltd., the only company in Nepal authorised to provide ISO certifications.*
Item 30:
**Occupational Health and Safety Policy**

**Organizational Health and Safety Policy**

**Preamble**
(Organization Name) recognises it has a duty of care to maintain a healthy and safe environment for all staff and clients.

**Rationale**
AQTF Standard 2 - Compliance with Commonwealth, State/Territory legislation and regulator requirements
NSW Occupational Health & Safety Act 1983

**Principles**
(Organization Name) considers the occupational health, safety and welfare of its staff and clients to be of the utmost importance. (Organization Name) takes all “reasonably practicable” steps to provide and maintain a safe and healthy workplace and learning environment.

A successful OH & S programme is dependent upon all persons on (Organization Name) premises sharing responsibility for insuring a safe and healthy environment.

(Organization Name) has a designated person with direct access to the Chief Executive who has defined responsibility and authority in relation to occupational health and safety issues within the organization.

(Organization Name) ensures all staff and clients are aware of their responsibility regarding OH & S issues through provision of safety information and education.

Regular hazard audits are carried out on the (Organization Name) premises.

The delivery and assessment of all accredited programs incorporates relevant OH & S requirements. (Organization Name) has OH & S procedures specific to their delivery and assessment of accredited programs under their scope of registration.

All injuries, accidents and near misses are reported to the Chief Executive Officer and recorded in the Accident and Injury Log Book. All incidents are investigated and action taken to prevent their re-occurrence. A first aid box and manual is available for use by staff, students and clients.

Smoking is prohibited on (Organization Name) premises. Alcohol and/or illegal drugs are prohibited on (Organization Name) premises.

Any action by staff, students and clients that jeopardises the health, safety or welfare of others may result in dismissal or expulsion.
Other policies relating to this policy
- Legislative Compliance Policy
- Client Services Policy
- Staffing Policy
- Assessment Policy
- Service Delivery Policy.

Procedures relating to this policy
- Risk Management Procedure
- Emergency and first aid procedure
- Accident and injury recording and investigation procedure.

Review Date
This policy is periodically reviewed and revised. Revisions are made as and when required. The period between reviews must not exceed 5 yrs. The date for review of this policy is on or before ..........................

Signed: .........................................................................
Name: ..........................................................................
Position: Chief Executive Officer of (Organization Name)
Date:  

130
General OH & S Procedures

The purpose of this procedure is to enable (Organization Name) create and maintain a safe work environment for all staff and clients.

This procedure complies with Standards:
The RTO must ensure that it complies with the requirements of Commonwealth or State/Territory laws and legislation relevant to it operations.

Procedures

Make the appointment

• Appoint a designated person responsible for ensuring compliance with occupational health and safety legislation
• Confirm appointment by letter clearly setting out their roles and responsibilities
• Include position on organizational chart showing direct responsibility to Chief Executive Officer.

Duties of OH & S Officer

• Ensure relevant OH & S information is disseminated to staff and clients (Staff Induction and Student Orientation procedures)
• Carry out regular hazard audits (See below)
• Investigate Hazard report forms completed by staff members
• Conduct regular fire drills (See [Organization]Emergency and First Aid Procedure)
• Maintain First Aid Box (See [Organization]Emergency and First Aid Procedure)
• Investigate and document accidents and injuries (See [Organization]Accident and injury recording and investigation procedure).

Hazard Audits

• Ensure all trainers and assessors are provided with Hazard report forms
• Conduct hazard audit on a regular basis
• Use Hazard Audit Form to document four step process:
  • Hazard identification
  • Risk assessment
  • Risk control
  • Evaluation.
• Examine all areas of premises including fixtures, fittings and furniture
• Test electrical and other equipment
• Check delivery and assessment resources and equipment
• Identify any potential hazards or risks
• Mark potential hazard with sign
• Inform staff, tutors and students of potential hazard
• Record action taken to rectify hazard or risk
• Check action taken has resolved the hazard or risk
• Sign and date Hazard Audit Form upon completion of audit
• File in Hazard Audit file in OH & S folder.
Policies influencing this procedure:
- Legislative Compliance Policy
- OH & S Policy.

Procedures directly relating to this procedure:
- OH & S for delivery and assessment procedure
- Emergency and first aid procedure
- Accident and injury recording and investigation procedure.

Review Date
This procedure should be periodically reviewed and revised. Revisions should be made as and when required. The period between reviews must not exceed 3 yrs.
The date for review of this procedure is on or before

Authorised By
Signature: .................................................................
Name:
Position: Chief Executive Officer of (Organization Name)
Date:
## (Organization Name)
### Hazard Audit Form

**Carried out by:** 
**Date of Audit:**

<table>
<thead>
<tr>
<th>Area of Inspection</th>
<th>Status</th>
<th>Description of Hazard</th>
<th>Action Taken</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ventilation:</strong></td>
<td></td>
<td>• Lack of fresh air</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Windows broken</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Windows difficult to open</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Fumes or draughts</td>
<td></td>
</tr>
<tr>
<td><strong>Lighting:</strong></td>
<td></td>
<td>• Sufficient for tasks</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Glare or reflections</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Bulbs need replacing</td>
<td></td>
</tr>
<tr>
<td><strong>Floors:</strong></td>
<td></td>
<td>• Uncluttered and clear</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Repairs needed</td>
<td></td>
</tr>
<tr>
<td><strong>Electrical:</strong></td>
<td></td>
<td>• Loose leads</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Switches, power points and plugs</td>
<td></td>
</tr>
<tr>
<td><strong>Exits including fire exits:</strong></td>
<td></td>
<td>• Unlocked for emergencies</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Unobstructed access</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Doors, handles and locks</td>
<td></td>
</tr>
<tr>
<td><strong>Equipment:</strong></td>
<td></td>
<td>• Well maintained</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Safely stored</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Fire extinguishers accessible</td>
<td></td>
</tr>
<tr>
<td><strong>Kitchen:</strong></td>
<td></td>
<td>• Crockery</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Electrical equipment</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Cupboards, shelves, bench tops</td>
<td></td>
</tr>
<tr>
<td><strong>Other:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
(Organization Name)
Hazard Report Form

Description of Hazard:

Location:

Description of Health & Safety risks:

Action taken to minimise risks:

Reported by: Date:

This form is to be completed by the person in charge of any activity in (Organization Name) premises where a hazard is observed, which may prove to be a threat to the safety, health or welfare of staff, clients or members of the public.

Please return the completed form to the office as soon as possible and obtain a replacement form for your files.
**Item 31:**
**Quality System Matrix - Australian Example**

The example used below is based upon the 12 Quality Standards for Registered Training Organizations (RTO’s) provided under the Australian Quality Training Framework (AQTF)

<table>
<thead>
<tr>
<th>Quality Standards</th>
<th>Policy</th>
<th>Procedure</th>
<th>Other documents and forms</th>
</tr>
</thead>
</table>
| **Standard 1 –Systems for quality training and assessment** – The RTO has systems in place to plan for and provide quality training and assessment across all of its operations | Quality Management Policy | • Internal compliance audit procedure  
• Continuous improvement procedure | • Internal Compliance Audit Form  
• Organizational Chart  
• Business Plan  
Job Descriptions and duty statements |
| Complaints, Grievance and Appeals Policy | • Complaints, Grievance and Appeals procedure | • Complaints, Grievances and Appeals Form  
• Complaints, Grievances and Appeals Record Sheet |
| **Standard 2 – Compliance with Commonwealth, State/Territory legislation and regulator requirements**- The RTO ensures that compliance with Commonwealth, State/Territory/regional legislation and regulatory requirements relevant to its operations is integrated into its policies and procedures and that compliance is maintained. | Legislative Compliance Policy | • Risk Management procedure | • Risk Identification Checklist |
| Equal Employment Opportunities Policy | | | |
| Disability Policy | | | |
| Workplace Harassment Policy | • Workplace Harassment Procedure | | |

... continuing
<table>
<thead>
<tr>
<th>Quality Standards</th>
<th>Policy</th>
<th>Procedure</th>
<th>Other documents and forms</th>
</tr>
</thead>
</table>
| Occupational Health & Safety Policy | • General OH & S procedures  
• OH & S procedures for Delivery and Assessment  
• Emergency and first aid procedure  
• Accident and injury recording and investigation procedure | | • Hazard audit form  
• Hazard report form  
• Emergency evacuation notice |

**Standard 3 - Effective financial management procedures** - The RTO has effective financial management procedures in place.

| Financial Management Policy | • Financial Management procedures | |

| Charges, Fee Protection and Refund policy | • Charges, Fee Protection and Refund procedures | |

**Standard 4 - Effective administrative and records management procedures** - The RTO has effective administrative and records management procedures in place.

| Administrative and Records Management Policy | • Administrative and records management procedure | • Client Assessment Record  
• Client Workplace Assessment Record  
• Client Progress Record  
• Course Outcome Record |

| Version Control Policy | • Version Control procedure | • Document Register for version control |

**Standard 5 - Recognition of qualifications issued by other RTO’s** - The RTO recognizes the National qualifications and Statements of Attainment issued by any other RTO.

| Mutual Recognition Policy | | |

**Standard 6 - Access and equity and client service** - The RTO applies access and equity principles and provides timely and appropriate information, advice and support services which assist clients to identify and achieve their desired outcomes.

| Access and equity policy | | |

| Code of Practice | | |

... continuing
<table>
<thead>
<tr>
<th>Quality Standards</th>
<th>Policy</th>
<th>Procedure</th>
<th>Other documents and forms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Client Services Policy</td>
<td>• Client Enrolment procedures</td>
<td>• Client Enrolment procedures</td>
<td>• Client Handbook</td>
</tr>
<tr>
<td></td>
<td>• Client Orientation, Support</td>
<td>• Client Orientation, Support and Referral procedures</td>
<td></td>
</tr>
<tr>
<td></td>
<td>and Referral procedures</td>
<td>• Client Discipline and Dismissal procedures</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Client Handbook</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Registration and Management of Overseas Students Policy</td>
<td>• Monitoring overseas students</td>
<td>• Monitoring overseas students attendance procedure</td>
<td>• Non attendance by OS students form</td>
</tr>
<tr>
<td></td>
<td>attendance procedure</td>
<td></td>
<td>• Letter to non-attending overseas students</td>
</tr>
<tr>
<td></td>
<td>• Non attendance by OS students</td>
<td></td>
<td>• Letter of agreement with students from overseas</td>
</tr>
<tr>
<td>Standard 7 - The competence of RTO staff - Each member of the RTO’s staff who</td>
<td>Staffing Policy</td>
<td>• Staff recruitment and selection procedures</td>
<td>• Trainer and Assessor qualification matrix</td>
</tr>
<tr>
<td>is involved in training, assessment or client service is competent for the</td>
<td></td>
<td>• Staff recruitment and selection procedures</td>
<td>• Trainer supervision form</td>
</tr>
<tr>
<td>functions they perform.</td>
<td></td>
<td>• Staff induction procedures</td>
<td>• Staff induction checklist</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Performance appraisal procedures</td>
<td>• Trainer and Assessor Handbook</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Professional development procedures</td>
<td>• Trainer and Assessor Code of Conduct</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Discipline and dismissal procedure</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Exit interview procedure</td>
<td></td>
</tr>
<tr>
<td>Standard 8 - RTO assessments - The RTO’s assessments meet the requirements of</td>
<td>Assessment Policy</td>
<td>• Assessment procedure</td>
<td>• Client assessment record</td>
</tr>
<tr>
<td>the endorsed components of Training Packages and the outcomes specified in</td>
<td></td>
<td>• Workplace Assessment model process</td>
<td>• Assessment Received form</td>
</tr>
<tr>
<td>accredited courses within the scope of its registration.</td>
<td></td>
<td>• Assessment Received form</td>
<td>• Assessment Agreement form</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Assessment review form</td>
<td>• Request for re-assessment form</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Candidate’s Self Assessment form</td>
<td>• Assessment Plan</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Assessment Tools – example forms</td>
<td>• Assessment Tools – example forms</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• RPL and credit transfer</td>
<td>• RPL and credit transfer procedure</td>
<td>• RPL information sheet</td>
</tr>
<tr>
<td>RPL Policy</td>
<td>procedure</td>
<td></td>
<td>• RPL application form</td>
</tr>
<tr>
<td></td>
<td>• RPL interview schedule</td>
<td></td>
<td>• RPL interview schedule and RPL assessment record</td>
</tr>
<tr>
<td></td>
<td>and RPL assessment record</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

... continuing
<table>
<thead>
<tr>
<th>Quality Standards</th>
<th>Policy</th>
<th>Procedure</th>
<th>Other documents and forms</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Standard 9 - Learning and assessment strategies</strong> - The RTO identifies,</td>
<td>Service Delivery Policy</td>
<td>• Program planning and documentation procedure</td>
<td>• Course Delivery and Assessment Matrix</td>
</tr>
<tr>
<td>negotiates, plans and implements appropriate learning and assessment</td>
<td></td>
<td>• Delivery procedure</td>
<td>• Record of documented evidence of delivery and assessment strategies</td>
</tr>
<tr>
<td>strategies to meet the needs of each of its clients.</td>
<td></td>
<td></td>
<td>• Strategies for working with clients with special learning needs</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Trainer information sheet</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Module information sheet</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Course outcome record</td>
</tr>
<tr>
<td></td>
<td>Assessment Validation</td>
<td>• Assessment validation procedure</td>
<td>• Assessment Validation Cover Sheet</td>
</tr>
<tr>
<td>Policy</td>
<td></td>
<td></td>
<td>• Assessment Validation Review Sheet</td>
</tr>
<tr>
<td></td>
<td>Evaluation and Review</td>
<td>• Evaluation and review procedure</td>
<td>• Assessment Validation Result Sheet</td>
</tr>
<tr>
<td>Policy</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Standard 10 - Issuing National qualifications and Statements of Attainment</strong> -</td>
<td>Qualifications policy</td>
<td>• Issuance of qualifications procedure</td>
<td>• Sample of Certificate/Diploma</td>
</tr>
<tr>
<td>The RTO issues National qualifications and Statements of Attainment that meet</td>
<td></td>
<td></td>
<td>• Sample of Statement of Attainment</td>
</tr>
<tr>
<td>the requirements of the National Qualification framework and the endorsed</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Training Packages and accredited courses within the scope of its registration.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Marketing Policy</td>
<td>• Marketing procedures</td>
<td>• Samples of advertising material</td>
</tr>
<tr>
<td><strong>Standard 11 - Use of national and State/Territory logos</strong> - The RTO</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>complies with the requirements for the use of national and State/Territory</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>logos in its advertising of training courses and programs and in its issuance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>of qualifications.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Standard 12 - Ethical marketing and advertising</strong> - The RTO’s marketing and</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>advertising of training and assessment products and services is ethical.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Item 32: Self Audit Checklist and Cost (referencing on Item 31)

<table>
<thead>
<tr>
<th>Questions to check good practice:</th>
<th>Suggested evidence:</th>
<th>Evidence you can provide in response to good practice questions:</th>
<th>Action required to meet good practice standards:</th>
<th>Estimated cost of action required:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do you have documents that show the scope of your organization’s activities and services?</td>
<td>• Business plan • Organizational chart • Duty statements • Licences and agreements • Brochures</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Do you have policies and procedures in place that guide your organization’s activities and services?</td>
<td>• Policies • Procedures • Forms • Trainer and Assessor Handbook • Student Handbook • Code of Practice</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>How do you ensure that your policies and procedures are circulated, understood and implemented?</td>
<td>• Code of Practice • Student Handbook • Trainer and Assessor Handbook • Website • Staff induction procedures • Student orientation • Version control procedures</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>How do you monitor quality within your organization?</td>
<td>• Risk management • Annual self audit • Stakeholder and client feedback • Complaints acted upon • Regular review of policies and procedures</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Do you have agreements or partnerships with other organizations in the provision of training/assessment services?</td>
<td>• Register of agreements • Agreements</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>How do you continuously improve your services?</td>
<td>• Continuous improvement procedure • Improved systems • Revisions of documents • Professional development events • Complaints acted upon</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>How do you ensure compliance with government legislation and regulatory requirements?</td>
<td>• How new and amended legislation is identified and implemented • Provision of information to staff and clients • Insurances</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>How do you ensure and monitor adequate funding for the organization’s operations</td>
<td>• Budgets • Protection of fees paid in advance • Refund policies</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

...continuing
| How do you manage and administer, and ensure integrity, accuracy and currency of your records? Give examples. | • Records of enrolments, attendance, fees paid and refunds given  
• Individual student progress records  
• Assessment records  
• Register of qualifications issued |
| --- | --- |
| How do you verify the qualifications and experience of your trainers and assessors? | • Procedure for verification  
• Process for recording verification  
• Samples |
| How do you ensure that trainers are using current training and assessment materials? | • Version control procedures  
• Document register  
• Up to date Licences  
• Training and Industry newsletters, publications, etc |
| Do you have systems in place for recognising qualifications issued by other training organizations? | • Information to clients on RPL, credit transfers  
• Staff awareness  
• Client awareness  
• Applications for RPL, credit transfer |
| Can you provide examples of how the organization applies access and equity principles? | • Provision of information to clients and staff  
• Support for people from specific client groups  
• Professional development for staff  
• Facilities and amenities  
• Strategies to increase access |
| Can you provide examples of how the organization provides information to clients about its services? | • Student handbook  
• Brochures  
• Website  
• Code of Practice  
• Client orientation  
• Staff review and client feedback on services |
| How does the organization provide for the recruitment, induction, and ongoing development of staff? | • Advertisements  
• Job specifications  
• Employment contracts  
• Induction programs  
• PD plans and activities |
| How do you ensure the competence of your trainers and assessors? | • Copies of qualifications  
• Verified CV’s  
• Matrix mapping qualifications and industry experience against Units of Competence delivered in training programs  
• Trainer supervision checklists  
• PD plans  
• Currency of industry experience  
• Student feedback |

... continuing
<table>
<thead>
<tr>
<th>Question</th>
<th>Answers</th>
</tr>
</thead>
</table>
| How does your organization ensure that assessment strategies meet the    | • Assessment process information to clients and staff (including RPL and RCC)  
| requirements of training programs you provide?                          | • Records of pre-assessment interviews  
|                                                                         | • Self assessment records  
|                                                                         | • Assessment plans  
|                                                                         | • Assessment resource register  
|                                                                         | • Assessment tools and tasks  
|                                                                         | • Trainee logbooks  
|                                                                         | • Feedback on assessment processes from client/employers  
|                                                                         | • Assessment review/validation meetings  
|                                                                         | • Professional development events for assessors  |
| What evidence do you have of industry consultation in the development of | • Notes, surveys, questionnaires, minutes, records of meetings with employers/candidates/assessors |
| assessment strategies?                                                  |                                                                                                                                          |
| How does your organization provide for Recognition of Prior Learning    | • Information to clients and staff  
| (RPL)?                                                                  | • Code of Practice  
|                                                                         | • RPL procedure  
|                                                                         | • Examples of RPL assessment events and records |
| How does your organization ensure that learning and assessment strategies| • Identification of target groups  
| meet the needs of its clients groups?                                   | • Evidence for identifying and meeting individual client needs  
|                                                                         | • Customised training programs  
|                                                                         | • Delivery and assessment plans for training programs  
|                                                                         | • Learning resources that meet workplace language, literacy and numeracy needs  
|                                                                         | • Re-assessments and assessment appeals records  
|                                                                         | • Reviewed and revised training and assessment strategies, tools, resources |

...continuing
| What processes do you have in place to provide for consistency in assessment processes, decisions and tools? | • Validation processes  
• Records of meetings  
• Outcomes of validation  
• Documented improvement in assessment processes, decisions tools  
• Professional development activities |
| --- | --- |
| How do you integrate training delivery with workplace requirements and client needs? | • Instruments designed to identify learning needs  
• Customisation of training programs and services  
• Resources developed that integrate language, literacy and numeracy skills with specific vocational competencies  
• Support for online and distance learners  
• Individual training plans  
• Records and examples of workplace training and assessment  
• Examples of negotiating training with employers, supervisors and students |
| What resources does your organization have available to provide the training and assessment services that you offer? | • Documented staffing lists  
• Facilities and equipment  
• Student rolls  
• Client feedback on facilities and equipment  
• Checklist developed for each training program delivered  
• Procedures to monitor current facilities and equipment and identify future needs |
| What qualifications are issued by your organization? | • Samples |
| What advertising and marketing does your organization carry out? | • Examples |

TOTAL ESTIMATED COST:
Item 33:  
**Quality Management Policy Procedures**

(referencing on Item 31)

**Assessment Procedures**

These procedures relate to the planning, conducting and reviewing of assessment events and include procedures for re-assessments, and appeals where the candidate disputes assessment decisions.

This procedure complies with Standards:

The RTO must ensure that assessments comply with the requirements of endorsed Training Packages and the outcomes of accredited courses within its scope of registration.

**Design of assessment events**

- Design assessment events that comply with the assessment guidelines specified in the applicable Training Package or accredited course
- Design assessment events that assess clients against the performance criteria for each learning outcome and/or elements of competence
- Design assessment events that assess all components of the appropriate units of competence including elements of competence, performance criteria, range of variables, critical aspects of evidence, required knowledge and skills, key competencies
- Design assessment events that assess all four dimensions of competence including task skills, task management skills, contingency management skills, and job role environment skills
- Design assessment events that integrate knowledge and skills with their practical application across a range of learning outcomes and/or units of competence where relevant
- Design assessment events which include on-the-job and off-the-job components where required. If workplace simulation assessments are employed, ensure that these have direct relevance to workplace applications
- Make sure that assessment events comply with assessment principles and are valid, flexible, reliable and fair for all candidates
- Design assessment events that gather evidence which meets the rules of evidence and is valid, current, authentic, and sufficient to infer competence
- Design assessment events that allow for candidates to undertake self-assessment of their ability to meet the evidence requirements of units of competence/ and or learning outcomes
- Establish special needs of individual candidates and make ‘reasonable adjustments’ that do not comprise the achievement of competency to the required standard
- Design and document an assessment plan that includes details of units of competence to be assessed, assessment methods, tools and procedures to be followed in conducting the assessment
• Provide copies of assessment tools (e.g. written assignment questions, test questions, exam papers, simulation scenarios, performance checklists, etc.) to the RTO office for their records. These may be made available to relevant staff for assessment validation purposes.
• Keep all original assessment tools in secure place until required for both assessment events and validation processes.

1. Accredited training programme assessment pathway
Explanation of assessment events to candidates:
• Hand out information sheet to each client at the start of first class
• Discuss the competency/module content, learning outcomes and assessment tasks, including percentage weighting where appropriate, and due date for each assessment task
• Outline the assessment process that will be followed during the assessment of the Units of competence/ module assessment tasks
• Advise candidates of their right to appeal assessment decisions (see Candidate appeal against assessment decision heading below)
• Inform candidates of attendance requirements and their relationship with assessment outcomes
• Circulate Assessment Received form for candidates to sign to show that they have received and understood information on assessment tasks and assessment events for the module/training programme
• Return signed Assessment Received form to office for their records.

Conduct of assessment events
• Provide clients with materials and resources necessary for them to carry out assessment tasks (e.g. written assignments, case studies, research projects, workplace simulations etc.) by due date
• Use a detailed performance checklist to record clients competence during on-the-job and/or in-house practical assessments
• Advise candidates of conditions under which assessments will be conducted
• Provide following conditions for written exams and tests:
  - quiet room ensuring no interruptions
  - tables and chairs set at a distance from each other
  - visible clock with start and finish times of exam/test written on whiteboard
  - writing paper
• Use the Client Assessment Record as the principal tool for recording assessment outcomes
• Gather evidence according to both the assessment plan and the rules of evidence (valid, sufficient, current, authentic evidence) to demonstrate competence
• Make assessment decision (Competent or Not-yet competent).
Advise candidates of assessment outcomes

- Advise candidates of assessment outcomes in a timely and constructive manner
- Provide constructive feedback to clients on their assessment performance
- Advise candidates where improvements are required to meet the standard of competence where necessary, providing specific information about identified skill gaps
- Advise candidates where practical demonstrations did not provide sufficient evidence of competence and need to be repeated
- Invite candidates to resubmit written assignments or repeat practical demonstrations to meet the standard of competence
- Negotiate with candidates new dates for assessment or re-submission of assignments.

Record of assessment outcomes

- Use the Client Assessment Record as the principal tool for recording assessment outcomes
- Record results against each learning outcome/assessment task/unit of competence being assessed
- Record outcome on individual candidates’ assignment, test papers, project work etc where appropriate
- Select examples of completed assessment tasks and take copies for office files
- Return assignments or test papers to individual clients
- Return completed Client Assessment Record with completed assessment tasks to the RTO office for their records and for use in assessment Validation meetings where appropriate.

Assessment Review

- Complete Assessment Review form and return forms to the office for filing.

Candidate appeal against assessment decision

- Provide a Request for re-assessment form to candidate if requested
- Request candidate to complete and return form as soon as possible to the office with relevant assessment documents
- Obtain written report from assessor on the assessment process and how the assessment decision was made for the candidate in question
- Arrange for re-assessment by a second qualified assessor if this is warranted
- Provide assessment evidence (e.g. written assignments, exam papers, performance checklists) together with original Client Assessment record or Client Workplace Assessment record
- Arrange re-assessment of practical and other assessment tasks as required
- Notify candidate in writing of assessment appeal decision
- Refer any further appeal to Complaints, grievances and appeals procedure.
2. **Workplace assessment pathway**

Follow the model assessment process as outlined in *Workplace Assessment model process*. Note the following points and associated forms:

- Conduct workplace assessments according to training/assessment plans as agreed between the trainer/assessor and all stakeholders.
- Conduct a pre-assessment interview with the candidate. Complete *Assessment Agreement Form*.
- Provide a self-assessment checklist which allows the candidate to identify evidence they can provide to demonstrate their competence in the job. *(See Candidate’s Self assessment form)*.
- Develop assessment plan.
- Design or access appropriate assessment methods and assessment tools. Refer to the relevant Training Package Assessment Guidelines *(Assessment tools example forms)*.
- Make sure that evidence gathered from workplace performance meets the competency standard required.
- Make sure that assessment events, resources, times, etc. are discussed with employers, supervisors, mentors, coaches, where appropriate. Maintain confidentiality at all times.
- Use the *Client Workplace Assessment Record* as the principal tool for recording workplace assessment outcomes.

**Policies influencing this procedure:**

- Assessment Policy
- Service Delivery Policy
- Assessment Validation Policy
- Qualifications Policy
- Code of Practice.

**Other procedures which relate directly to this procedure:**

- Complaints, Grievance and Appeals procedure
- RPL and Credit Transfer procedures
- Service Delivery procedure
- Assessment Validation procedure
- Issuance of Qualifications procedures.

**Review Date**

This procedure should be periodically reviewed and revised. Revisions should be made as and when required. The period between reviews must not exceed 3 yrs. The date for review of this procedure is on or before ...............
Assessment Policy

Preamble

(Organization Name) conducts assessments that meet the requirements of the endorsed components of Training Packages, the outcomes specified in accredited courses within its scope of its registration, and which are in accordance with the National Assessment Principles.

Rationale

AQTF Standard 8 – RTO Assessments
Education Services for Overseas Students Act
NSW charter for equity in education and training

Principles

(Organization Name) ensures that the assessments it conducts, either through a training and assessment programme or assessment only process, meet the National Assessment Principles. This means it will:

i  Comply with the assessment requirements in the Training Packages and accredited courses on its scope of registration.

ii Issue Statement of Attainments or qualifications when a person is assessed as competent.

iii Comply with the assessment principles of validity, reliability, fairness and flexibility.

iv Ensure that applicants are fully informed of all matters relating to assessment activities.

v Focus on the application of knowledge, skills and appropriate workplace attitudes to the standard of performance required within the specified units of competence. Assessment will include application of the four dimensions of competency (task skills, task management skills, contingency management skills and job role environment skills) and the key competencies.

vi Involve the evaluation of evidence according to the rules of evidence (valid, sufficient, current and authentic evidence) to enable effective judgements to be made about whether competency has been attained.

vii Provide constructive and timely feedback to the applicant about the outcomes of the assessment process and guidance on future options.

viii Ensure fair and equitable assessment for all persons, taking account of cultural and linguistic needs.

ix Provide for reassessment where appropriate.

x Provide for a transparent and documented process of appeal where assessment decisions are disputed by the applicant.
(Organization Name) fulfils these requirements by employing systematic assessment processes that promote consistency in the planning, conducting and reviewing and validation of assessment events. (See Assessment procedures, Page. 129)

Other policies relating to this policy:
- Client Services Policy
- RPL Policy
- Service Delivery Policy
- Assessment Validation Policy.

Procedures relating to this policy
- Assessment procedures including appeals against assessment decisions procedure
- Recognition of Prior Learning and Credit Transfer procedures
- Assessment Validation procedures
- Service delivery procedures
- Code of Practice.

Review Date
This policy is periodically reviewed and revised. Revisions are made as and when required. The period between reviews must not exceed 5 yrs. The date for review of this policy is on or before .................

Signed: ........................................................................
Name:...........................................................................
Position: Chief Executive Officer of (Organization Name)
Date:
Item 34:  
**A Taxonomy of Possible Training Outcome Indicators for ROTI Studies**

**Productivity and Efficiency**
- Production costs per unit
- Production/completion time per unit (e.g., forms, loans, clients, projects)
- Equipment/facility/asset utilisation (e.g., down time due to machine stoppages, shift changeover time)
- Response time (e.g., to service calls or orders)
- Improved innovation in product/services
- Staffing requirements and workforce flexibility (e.g., dependence on casual/contract labour)

**Sales and Profitability**
- Overhead costs
- Operating costs as a percentage of total costs/revenue
- Revenue/income/sales (monthly, annually, per employee, per team, per branch or store)
- Sales to new customers
- Profit per employee

**Quality of Products and Services**
- On-time provision of product/services
- Company image and reputation
- Compliance with quality, legal and/or ethical requirements
- Conformance record with quality specifications (e.g., batch yields, throughput of invoices)

**Occupational Health and Safety**
- Accidents or injuries (number, time lost, compensation costs, premium cost/rating)
- Safety critical incidents (number, cost)

---

Customer Service and Satisfaction
- Customer satisfaction levels (with timeliness, availability, quality and price of goods and services)
- Repeat business (customer retention or loyalty)
- Customer relationships and experiences
- More/new customers or markets (eg contracts won, loans processed, funding awarded)
- New business resulting from client referrals
- Lost business
- Number of complaints.

Organizational Learning and Development
- Achievement of organizational competency profile requirements (eg to meet accreditation or licensing requirements, new operating environments or facilitate organizational expansion)
- Number/percentage of employees with nationally recognised qualifications
- Internal promotions resulting from employee competence and performance
- Alignment with human resources, business and strategic planning
- Employee perceptions of training and development opportunities
- Performance appraisal ratings.

Organizational Climate, Culture and Practices
- Employee retention/turnover/recruitment (eg numbers, costs)
- Disputes/grievances (number, cost or time lost)
- Employee satisfaction and motivation
- Participation in teams and committees
- Absenteeism
- Contribution to re-engineering and refocusing of enterprise.
- Number of employee suggestions (submitted or implemented)
- Interpersonal relationships and commitment to team goals
- Team performance
- Standardisation of work practices
- Implementation of new work practices.
- Implementation/maintenance of a service culture
- Internal communication and information systems
- Participation in teams and committees
- Disputes/grievances (number, cost or time lost)
- Employee satisfaction and motivation
- Participation in teams and committees
- Internal communication and information systems
- Implementation/maintenance of a service culture

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Item 35: 

**Course Costing – Before and After**

It is good practice to cost courses before commencement and after completion. There are likely to be variances in costs, particularly for longer courses.

Balaju Technical Training Centre in Kathmandu, Nepal follows this practice. They have found that variances in the cost of materials and equipment plus unforeseen course expenses make this a good practice.

Below is a template:

<table>
<thead>
<tr>
<th>Table TXX COURSE COSTING BEFORE &amp; AFTER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Course Title</td>
</tr>
<tr>
<td>Commencement Date</td>
</tr>
<tr>
<td>Completion Date</td>
</tr>
<tr>
<td><strong>HEADINGS</strong></td>
</tr>
<tr>
<td>Course Development</td>
</tr>
<tr>
<td>Enrolments</td>
</tr>
<tr>
<td>Co-ordinator Costs</td>
</tr>
<tr>
<td>Trainer Costs</td>
</tr>
<tr>
<td>Materials</td>
</tr>
<tr>
<td>Equipment Purchase</td>
</tr>
<tr>
<td>Equipment Hire</td>
</tr>
<tr>
<td>Stationery</td>
</tr>
<tr>
<td>Photocopying</td>
</tr>
<tr>
<td>Assessment</td>
</tr>
<tr>
<td>Performance</td>
</tr>
<tr>
<td>Indirect Costs</td>
</tr>
<tr>
<td>Unit Cost or %</td>
</tr>
<tr>
<td>Profit/Surplus %</td>
</tr>
<tr>
<td>(Add)</td>
</tr>
<tr>
<td><strong>TOTAL COSTS</strong></td>
</tr>
</tbody>
</table>
Item 36:  
**Tracer Studies Background**

**Tracer Studies** are undertaken by training institutions and projects to determine the effectiveness of their training: satisfaction with training and the contribution the training made in the graduate finding employment.

Increasingly financing organizations are providing funding linked to achieving specified outcomes. It is therefore important that institutions are able to accurately survey and verify outcomes.

Institutions must budget and cost the tracer studies as a Performance cost for their training.

**Accuracy:** Factors other than the training often impact on graduates gaining employment, these could include: attitude, gender, caste, race, family connections, mobility, religion etc.

Reverse Tracer Studies can be conducted to identify which paths to skills acquisition lead to employment. Employees would be asked about prior schooling, training and work experience. Questions would include:

a) Job title  
b) Employment status  
c) Highest education qualification obtained  
d) Post-School, pre-career training experience  
   - Agency that provided the training  
   - Type of training provider  
   - Specialisation  
   - Duration of training  
e) First job with the firm  
f) What work you were doing before this job  
g) Training Experience since starting work  
h) Length and time of unemployment.
Item 37:  
**Sample Tracer Study**

*a) SVTC Tracer Study – Vietnam*

**SVTC TRACER STUDY**  
**QUESTIONNAIRE No. 2**

**Please put a cross (X) in the boxes corresponding to your choices**

### PART 1 – PERSONAL INFORMATION

1. **Sex**  
   - Female □  
   - Male □

2. **Marital Status**  
   - Single □  
   - Married □  
   - Other (divorced/widowed...) □

3. **Highest level of education (mark only the highest)**  
   - Primary Incomplete □  
   - Primary Complete □  
   - Lower Secondary incomplete (specify grade) □  
   - Lower Secondary Complete □  
   - Upper Secondary Incomplete (specify grade) □  
   - Upper Secondary Complete □  
   - University/College Undergraduate □  
   - University/College Graduate □  
   - Post-graduate □

### PART 2 – OPINION ABOUT THE COURSE

4. **How are you satisfied with the course in general?**  
   - Fully satisfied □  
   - Satisfied □  
   - Quite satisfied □  
   - Less satisfied □  
   - Dissatisfied □  
   - I can’t say □

5. **In your opinion, is the equipment (machines, tools...) available sufficient?**  
   - Very satisfied □  
   - Sufficient □  
   - Quite sufficient □  
   - Less sufficient □  
   - Insufficient □  
   - I can’t say □
6. How are you satisfied with the facilities (classroom, lights...)?
   - Fully satisfied
   - Satisfied
   - Quite satisfied
   - Less satisfied
   - Dissatisfied
   - I can’t say

7. In your opinion, the amount of theoretical lessons is:
   - Too much
   - Sufficient
   - Quite Sufficient
   - Less sufficient
   - Too little
   - I can’t say

8. In your opinion, the theoretical lessons were:
   - Easy to understand
   - Understandable
   - Difficult to understand
   - I can’t say

9. How are you satisfied with the practical training?
   - Fully satisfied
   - Satisfied
   - Quite satisfied
   - Less satisfied
   - Dissatisfied
   - I can’t say

10. How are you satisfied with the training of working attitude (orderliness, safety, carefulness...)?
    - Fully satisfied
    - Satisfied
    - Quite satisfied
    - Less satisfied
    - Dissatisfied
    - Working attitude wasn’t trained
    - I can’t say

11. How are you satisfied with your teacher(s)?
    - Fully satisfied
    - Satisfied
    - Quite satisfied
    - Less satisfied
    - Dissatisfied
    - (with teacher of: _________)
    - I can’t say

12. Did you have chances to practice at industries during the course?
    - No, never
    - Once per course
    - Twice per course
    - Often

13. Had you been visited by industries during the course?
    - No, never
    - Once per course
    - Twice per course
    - Often
14. What was your main problem during the course?
   Living expense [ ]  Separation from home [ ]
   I can’t keep up with the course [ ]
   Uncertainty whether I can get a job [ ]
   Other problems: (write out: ________________) [ ]
   I had no problem [ ]

15. How long did you attend your last course?
   I attended the whole course [ ]  I left during the course [ ]

**PART 3 – EMPLOYMENT AND DEMOGRAPHIC INFORMATION**

16. Are you employed now?  Yes [ ]  No [ ]
   If **yes** then go to question no. 24

17. Since finishing your course have you been looking for a job?
   Yes [ ]  No [ ]
   If **yes** then go to question no. 19

18. Why are you not looking for a job?
   I want to study more [ ]  I’m not confident of my skill [ ]
   There’s no need for me to work [ ]  Health condition [ ]
   Other reasons [ ]

   **Now go to question no. 33**

19. Since finishing your course have you ever refused a job offered?
   Yes [ ]  No [ ]  If **no** then go to question no. 21

20. What was the main reason for you to refuse the job offered?
   Low income [ ]  Too hard work [ ]  Uninteresting job [ ]
   The working place is too far from home [ ]
   No chances to get promotion [ ]  Other reasons [ ]
21. Have you ever been refused to be employed?
   - Yes, one time
   - Yes, two times
   - Yes, several times
   - No, never
   If no then go to question no. 23

22. Why do you think you have been refused to be employed?
   - Unsatisfactory skill performance
   - Unsuitable skills
   - Health condition
   - Other reasons

23. Why haven't you found employment?
   - Unsatisfactory skill performance
   - Lack of information
   - Health condition
   - Other reasons
   Now go to question no. 33

24. What is your current employment?
   - Full-time/stable employee
   - Part-time/stable employee
   - Unpaid worker
   - Paid family worker
   - Self-employed/I’ve my own business
   - Other jobs

25. When did you get employed?
   - I continue with my former employment
   - Right after the graduation
   - Within 1 month
   - Within 2 months
   - Within 3 – 5 months

26. How did you find your recent employment?
   - I continue with my former employment
   - With the assistance of the Vocational Training Centre
   - With the assistance of the Employment Services Centres
   - By means of mass media
   - With the assistance of family members
   - With the assistance of relatives/friends
   - Self employed
   - Other methods
27. Which kind of business are you working in?
- State enterprises
- Foreign/Joint-Venture enterprises
- Private enterprises
- Household business
- My own business

28. How many hours do you usually work a week?
- Less than 20 hours
- Between 20 and 40 hours
- Over 40 hours

29. Have you been able to apply your skills trained to your job?
- All of the skills
- Most of the skills
- Some of the skills
- Very few of the skills
- None of the skills

30. How far is it from your residence to the working place?
- Within 10 km
- 11 – 50 km
- 51 – 99 km
- More than 100km

31. In general how are you satisfied with your current employment?
- Fully satisfied
- Satisfied
- Quite satisfied
- Less satisfied
- Dissatisfied
- I can’t say

32. How do you think your supervisor is pleased with your skill performance?
- Fully satisfied
- Satisfied
- Quite satisfied
- Less satisfied
- Dissatisfied
- I can’t say

33. How much do you earn a month yourself at present?
- Don’t earn money
- No money but other advantages
- Less than VND 200,000
- Less than VND 500,000
- Less than VND 800,000
- Less than VND 1,000,000
- VND 1,000,000 and over
34. How much is the total income per month of your household?
   Less than VND 200,000  □  Less than VND 500,000  □
   Less than VND 800,000  □  Less than VND 1,000,000  □
   VND 1,000,000 and over  □

35. What is the most important for your future?
   To become a master of my trade  □  To get promoted  □
   To become wealthy  □  Others (write out)  □

Thank you very much for your help.
If you have any comments or suggestions, please write them below:

........................................................................................................
........................................................................................................
........................................................................................................
Part A. Personal data
1. Respondent code number ......................................................
2. Name of graduate .............................................................
3. Address .............................................................................
4. Level of training ...............................................................  
5. Type of programme ..........................................................
6. Starting date .......................................................................  
7. Finishing date ..................................................................... 
8. Number of training hours ....................................................
9. Date of birth ........................................................................ 
10. General education: highest grade completed .........................
11. Sex ...................................................................................

Part B. Financing of education and training
12. What was your employment status immediately before participating in this course?
   Self-employed .................................................................
   Wage/salary worker .........................................................
   Unpaid family worker ......................................................
   Unemployed (not working and seeking job) .........................
   Student .............................................................................
   Housekeeping ....................................................................
   Not working and not seeking work ....................................

13. Did you or your family pay a fee for the training course in which you participated?
   If yes, how much was the fee for the whole course? ............

14. Did you or your family bear any other cost related to this training course (hostel fees, transport, etc) .............
   If yes, how much did these payments amount to? ......

15. Did you receive any grant or other financial support to finance your participation in this course? ..............
   If yes, how much? ............

Part C. Current labour force status
16. Have you had a job or business in the past week? ....................
   If no, go to question 21
   If yes, are you:
   Self-employed .................................................................
   Employer ............................................................................
   Wage/salary worker .........................................................
   Unpaid family worker ......................................................

17. What kind of job is it (occupational category)? ......................

18. When did you get this job? .................................................
19. How much did you earn in total during the past three months (both as wages and business receipts)? ………………….

20. How useful is your training in your current job?
   No use at all ……………………………………………………………………….
   Some use ………………………………………………………………………….
   Very useful ………………………………………………………………………..

21. If you are not working now, have you worked at any time since you finished your training course?  Yes  No
   If yes, were you:
   Self–employed …………………………………………………………………..
   Employer ………………………………………………………………………..
   Wage/salary worker ……………………………………………………………..
   Unpaid family worker ……………………………………………………………

22. When did you get that job? …………………

23. When did you lose or leave that job? …………………

24. Were you available for work during all this time? …………………

25. Since completing the course described in Part A, have you participated in any further training course? …………….. If yes, describe the title of the course and give dates.
   ………………………………………………………………………………………..
c) Training and Trainer Evaluation F-Skill/Helvetas, Nepal

**TRAINING AND TRAINER EVALUATION**

Your feedback is key to assuring the quality of our training and trainers. We appreciate your time in completing this evaluation.

Name ___________________________________________________________
Address ___________________________________________________________
Phone ___________________________
Email ___________________________
Course Taken ______________________________________  Completion Date __________

**TRAINING**

<table>
<thead>
<tr>
<th>How would you rate the following?</th>
<th>Excellent</th>
<th>Good</th>
<th>Average</th>
<th>Poor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Did the training content meet your needs?</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Was the training material clear and easy to understand?</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Was the training facility of high standard?</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Was there a good balance between theory and practice?</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>How would you rate the training overall?</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**What changes, if any, would you recommend regarding this training session?**

________________________________________________________________________

**TRAINER**

<table>
<thead>
<tr>
<th>How would you rate the following?</th>
<th>Excellent</th>
<th>Good</th>
<th>Average</th>
<th>Poor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Was the trainer knowledgeable?</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Did the trainer possess strong presentation skills?</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Was the trainer clear and easy to understand?</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Did the trainer cover all the course material?</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Was the trainer attentive to class level, adjusting the lessons accordingly?</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>How would you rate the trainers overall training skills?</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Please provide any additional comments on the trainer:** __________
d) Post Training Evaluation Form, F-Skill/Helvatas, Nepal

**POST TRAINING EVALUATION FORM**

**Name**

________________________________________________________________________

**Address**

________________________________________________________________________

**Course Attended**

________________________________________________________________________

**Completion Date**

___________

**Trainer**

________________________________________________________________________

1. Did the course help you get your employment?
   - Yes  ☐  No  ☐  Not sure  ☐

2. What were the most useful subjects in relation to your current job?

   __________________________________________________________
   __________________________________________________________

3. What were the least useful in relation to your current job?

   __________________________________________________________
   __________________________________________________________

4. What subjects could have been included?

   __________________________________________________________
   __________________________________________________________

5. Would you recommend this course to others?  Yes  ☐  No  ☐
   If not, why not?

   __________________________________________________________
   __________________________________________________________
e) Income Verification Form, F-Skill/ Helvatas, Nepal

INCOME VERIFICATION FORM

This form is for the use of F-Skill staff. The trainee should be interviewed/contacted on commencement of training, if not prior, and six months after completion of training.

Personal Details
Name _____________________________________________
Address

_____________________________________________________
Telephone _______________________________
Date of Birth ______________________
Income Level prior to commencement of training
Are you currently employed?
Employed ☐ Self-employed ☐ No ☐
If you are currently employed:
What is your current job title:__________________________________________________
Please provide your Employers Contact Name, Address and Phone number
___________________________________________________________
Please list some of the skills you utilise at work
___________________________________________________________
What is your current wage? ____________________________
F-Skill Interviewer comments
___________________________________________________________
___________________________________________________________

Income Level after completion of training
Are you currently employed? Employed ☐ Self-employed ☐
What is your current job title? ____________________________
Please provide your Employers Contact Name, Address and Phone number
__________________________________________________________________________________

Please list some of the skills you utilise at work ____________________________
__________________________________________________________________________________

What is your current wage? _____
F-Skill Interviewer comments ____________________________
__________________________________________________________________________________

Interviewer Name and Signature
_____________________________________________

Do you verify that there is an increase in income level?
Yes ☐ No ☐
f) Tracer Study – Employment and Further Training, NCVER Ltd., Australia

This survey was conducted by NCVER Ltd. (Australia) on public vocational training institutions graduates.

CURRENT EMPLOYMENT

1. Do you presently have a job of any kind, or are you looking for work, or something else?
   (Note: a job means any type of work including full-time, casual, temporary or part-time work, if it was for 1 hour or more over a two-week period)
   Yes, work for payment or profit ........................................... 1
   Yes, but absent on holidays, on paid leave, on strike or temporarily stood down .............................................. 2
   Yes, unpaid work in a family business ............................. 3
   Yes, other unpaid work .................................................... 4
   No, do not have a job, but looking for work ...................... 5 Go to Q13
   No, do not have a job, not looking for work ...................... 6 Go to Q12

2. Are you currently working in more than one job?
   Yes ........1
   No ........2
   (Note: if respondent had more than one job, in questions 3 – 11 ask for information about main job. This means the job in which the respondent usually worked the most hours)

3. In this (main) job are you ... ?
   A wage or salary earner .................................................... 1
   Conducting your own business – with employees .......... 2
   Conducting your own business – without employees ...... 3
   A helper not receiving wage or salary ............................ 4 Go to Q5

4. Are you entitled to paid sick leave or paid holiday leave in this job?
   Yes, both........................................................................... 1
   Yes, paid sick leave only.................................................. 2
   Yes, paid holiday leave only............................................ 3
   No .................................................................................. 4

5. How long have you been in this job?
   Less than 2 years ......................................................... 1
   2 years or more ........................................................... 2

24 National Council for Vocational Education and Research (NCVER), Australia. www.ncver.edu.au
(Adapted)
6a. What is your occupation in your current job?

______________________________________________

Record full title eg Apprentice Chef, Office Assistant

6b. What are the main tasks and duties you usually perform?
Main tasks or duties eg preparing food/cooking food, word processing

______________________________________________

7. What kind of industry, business or service is carried out by your employer?
(Describe as fully as possible eg steel pipe manufacturing, childcare services, fast food outlet, clothing retailer)

______________________________________________

8. On average, how many hours do you work each week in your job?
35 hours or more per week ............................... 1
1 – 34 hours per week ....................................... 2

9. How much do you usually earn in this job (before tax or anything else is taken out)?

______________________________________________

Interviewer note: pause before reading out categories. Determine best category to begin reading out based on occupation.

**Per Year**

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$36,400 + ($700 or more per week)</td>
</tr>
<tr>
<td>2</td>
<td>$31,200 - $36,399 ($600 - $699 per</td>
</tr>
<tr>
<td>3</td>
<td>$26,000 - $31,199 ($500 - $599 per</td>
</tr>
<tr>
<td>4</td>
<td>$20,800 - $25,999 ($400 - $499 per</td>
</tr>
<tr>
<td>5</td>
<td>$15,600 - $20,799 ($300 - $399 per</td>
</tr>
<tr>
<td>6</td>
<td>$10,400 - $15,599 ($200 - $299 per week)</td>
</tr>
<tr>
<td>7</td>
<td>$8,320 - $10,399 ($160 - $199 per week)</td>
</tr>
<tr>
<td>8</td>
<td>$6,240 - $8,319 ($120 - $159 per week)</td>
</tr>
<tr>
<td>9</td>
<td>$4,160 - $6,239 ($80 - $119 per week)</td>
</tr>
<tr>
<td>10</td>
<td>$2,080 - $4,159 ($40 - $79 per week)</td>
</tr>
<tr>
<td>11</td>
<td>$1 - $2,079 ($1 - $39 per week)</td>
</tr>
</tbody>
</table>
10. On a scale of 1 to 5 where 1 is strongly disagree and 5 is strongly agree, please indicate the extent to which you agree or disagree with the following:

<table>
<thead>
<tr>
<th></th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Neither agree nor disagree</th>
<th>Agree</th>
<th>Strongly agree</th>
<th>Don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>The pay and/or conditions are good</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>9</td>
</tr>
<tr>
<td>Job security is good</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>9</td>
</tr>
<tr>
<td>My job has good career prospects</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>9</td>
</tr>
<tr>
<td>My job lets me use my skills and abilities</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>9</td>
</tr>
<tr>
<td>My job provides training and learning opportunities to improve my skills and</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>9</td>
</tr>
<tr>
<td>My job provides a sense of personal fulfilment</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>9</td>
</tr>
</tbody>
</table>

11. Compare your current job with what you were doing in (month/year) even though you were in (the same/a different) job. Please think about the level of skill you use in your job now compared to then.

How have you learned these increased skills? (Multiple response)

- My supervisor taught me on-the-job 1
- I learned by watching others at work 2
- I learned by being helped by colleagues at work 3
- I learned at work through trial and error 4
- I did one or more courses of training or education 5
- I learned with the aid of manuals, books, videos or online materials 6
- I learned extra skills through leisure activities 7
- I already had the extra skills, but now they are more fully utilised 8
- Other (specify) _____________________________ 9

**GO TO QUESTION NO. 13**

12. As you aren’t working or looking for work at the moment, what is your main activity?

- Voluntary inactive ................................................. 1
- Home duties or childcare ......................................... 2
- Studying ..................................................................... 3
- Own disability or handicap ....................................... 4
- Own illness or injury ............................................... 5
- Looking after ill or disabled person ............................. 6
- Travel, holiday or leisure activity ............................... 7
- Maternity leave ....................................................... 8
- Other (specify) .......................................................... 9

13. In the ____ months when you were not working, was this mainly because ...

- You couldn’t find/get a job ........................................ 1
- You didn’t want a job/still studying ............................ 2
- A mixture couldn’t find a job and didn’t want a job .......... 3
- Unable to work (eg maternity leave, injured, incapacitated) .... 4
- Other ........................................................................... 5
ABOUT THE TRAINING COMPLETED IN (insert)

14. What would you say have been the main work related or personal benefits that you have got so far from that training?

An increase in earnings ........................................... 1
A promotion (or increased status at work) ..................... 2
Advanced my skills generally .................................. 3
Gained networking opportunities .............................. 4
Got into further study ............................................. 5
Gained confidence .................................................. 6
Improved communication skills ............................... 7
Improved skills relevant to my job ............................ 8
Got a job/new job .................................................. 9
Made friends .......................................................... 10
Provided direction .................................................. 11
Satisfaction of achievement .................................... 12
Set up/expand my own business ............................... 13
Other (specify) _____________________ ....................... 14
No benefits ............................................................ 15

15. How important do you think that this training has been to you so far?

Very important ..................................................... 1
Somewhat important .............................................. 2
Neither important nor unimportant ......................... 3
Unimportant .......................................................... 4
Totally unimportant .............................................. 5
Don't know/can't say ............................................ 6

ABOUT FURTHER EDUCATION AND TRAINING

Finally, I’d like to ask you about any further education or training that you have done.

16. Have you done any of the following kinds of further education or training?

(Multiple response)

Studied at University .............................................. 1
Studied at a Vocational Training Institute or similar .......2
Done one or more training courses provided by your employer in the workplace ............................................. 3
Done one or more training courses outside of work ......... 4
No further study/training ........................................ 5

17. Did any of the education or training you have done since (month/year) lead to a completed qualification?

Yes ...  1 Go to Q.21
No ... 2

18. What was the reason(s) you did not get a qualification from any of this education/training? Multiple response

Withdraw .............................................................. 1
Still studying ......................................................... 2
Deferred ............................................................... 3
Completed but not awarded yet ............................... 4
Was not a course that led to a qualification ... 5 Go to Q.22
Other (please specify) ............................................. 6
19. Which best describes the level of the qualification(s) you obtained/would have/will obtain studying? (Single response)
   University Degree ................................................. 1
   Diploma ............................................................ 2
   Certificate or Trade Certificate (e.g. apprenticeship) 3
   Other Certificate ................................................. 4
   Secondary School qualification .............................. 5
   Statement of Attainment ......................................... 6
   Other course (specify) _____________________________ 7

20. Would you say that any of the education or training you have done since (month/year) has improved your skills a lot, a little, or not at all?
   A lot ............... 1
   A little .......... 2
   Not at all ........... 3 Go to end

21. Are you able to make use of these skill improvements in your current job?
   Yes .......... 1
   No .......... 2

22. Are you able to make use of these skill improvements in your day to day life (other than work, if working)?
   Yes .......... 1
   No .......... 2

Thank you for your time in completing the survey.