

INQUIRY INTO VOCATIONAL EDUCATION AND YOUTH TRAINING
IN THE ACT – FINAL REPORT

JUNE 2016

STANDING COMMITTEE ON EDUCATION, TRAINING AND YOUTH AFFAIRS

REPORT 6

COMMITTEE MEMBERSHIP

Mr Jayson Hinder MLA (Chair from 9 March 2016)

Mr Steve Doszpot MLA (Deputy Chair)

Mrs Giulia Jones MLA (on leave from 17 March to 4 August 2015)

Ms Joy Burch MLA (Member from 9 February 2016)

Ms Mary Porter AM MLA (Chair to 19 February 2016)

Ms Yvette Berry MLA (Member to 10 February 2015)

Ms Meegan Fitzharris MLA (Member (from 10 February 2015 to 9 February 2016)

Mr Alistair Coe MLA (Member from 17 March to 4 August 2015)

SECRETARIAT

Secretary: Mr Andrew Snedden

Administration: Ms Lydia Chung

CONTACT INFORMATION

Telephone	02 6205 0199
Facsimile	02 6205 0432
Post	GPO Box 1020, CANBERRA ACT 2601
Email	committees@parliament.act.gov.au
Website	www.parliament.act.gov.au

RESOLUTION OF APPOINTMENT

To examine matters related to early childhood education and care, primary, secondary, post secondary and tertiary education and vocational training, non-government education, youth and family services, technology, arts and culture, sport and recreation.

TERMS OF REFERENCE

On 29 May 2013, the Standing Committee on Education, Training and Youth Affairs adopted the following terms of reference:

To inquire into and report on all aspects of current vocational education and youth training programs, strategies and resourcing in the ACT with particular reference to:

- Implementation of current ACT programs, including national programs for youth training and education;
- The effectiveness of current youth training programs and strategies;
- Current programs available through ACT secondary colleges, vocational training programs and tertiary institutions;
- The role and programs conducted by all Registered Training Organisations (RTOs);
- Provision of vocational education and training to culturally and linguistically diverse students;
- Relevant experiences and learnings from Australian State, Commonwealth and International jurisdictions; and
- Any other relevant matter.

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RECOMMENDATIONS

Recommendation F1

- 1.11 The Committee recommends that the Minister for Higher Education and Training compel CIT to review each electrical trade graduate and provide an assurance that combined courses set up following the unexpected combining of the ElectroSkills and CIT course resulted in all students completing all mandatory components or units to obtain the electrical trade qualifications they were awarded.

Recommendation F2

- 1.12 The Committee recommends that, following the review recommended in recommendation F1, should any deficiencies be identified, CIT ensure a catch-up or complementary course of training is completed by these graduates.

Recommendation F3

- 1.15 Given some perceived resistance by CIT to the Committee's various correspondence, the Committee recommends that CIT identify processes and assessments it has taken to ensure all Electrotechnology apprentices who completed their Capstone exam (Electrical Systems Safety) have adequately demonstrated the skills and understanding to have become qualified after being transferred from the ElectroSkills Centre to the CIT. The Committee further recommends that an audit be conducted by an independent appropriately certified assessor or organisation. In addition, the Minister should respond to this Committee as soon as possible regarding this recommendation, but in any event by the first sitting day of the Assembly in August 2016.

Recommendation F4

- 1.16 The Committee recommends that CIT put in place a contingency plan to ensure continuity of tuition is available to all students should CIT be required to integrate large numbers of students into any of its courses in the future.
- 1.17 Further, the Committee recommends The Minister for Higher Education and Training satisfy herself that the steps CIT takes to put in place a plan or protocol for the proposals put by the Committee in this report are adequate.

1 FINAL REPORT

- 1.1 The Committee tabled its Interim Report on this reference on 17 February 2016.
- 1.2 The Committee Interim Report, inter alia, discussed a narrative relating to matters that were raised with the Committee in 2015 regarding the administration of the Electrotechnology Course at (CIT), in particular the period following the incorporation of trainee electricians from ElectroSkills, a private training institution into the CIT course.
- 1.3 The Interim Report contained a number of recommendations including Recommendation 4 required the review of the Electrotechnology Course conducted by the Australian Skills Quality Authority (ASQA) in late 2015 be tabled by the Minister for Higher Education and Training and made available to the Committee. The Committee notes that the ASQA report of that review was subsequently tabled by the Minister on 7 April 2016.
- 1.4 Recommendation 5 related to CIT's processes to ensure that students met minimum training standards.
- 1.5 The Committee's Interim Report is attached as [Appendix A](#).

GOVERNMENT RESPONSE TO COMMITTEE RECOMMENDATIONS 4 & 5 FROM INTERIM REPORT

GOVERNMENT RESPONSE TO COMMITTEE RECOMMENDATION 4

- 1.6 In her tabling statement, the Minister for Higher Education and Training drew attention to a number of matters which resulted from the ASQA Review and report. They were –
 - The National Centre for Vocational Education Research has recently released data showing that nationally the number of apprentices and trainees in training as at 30 September 2015 has decreased 13.7 per cent from 30 September 2014. This decline was also reflected in ACT apprentice and trainee data, but CIT is bucking this trend with apprentice numbers holding steady.
 - CIT trains 72 per cent of the ACT's apprentices. Reflected in student satisfaction rates of 93 per cent and employer satisfaction rates of 87 per cent, both of which are considerably above target.
 - In May 2015 CIT committed to an improvement strategy through the Australian Apprenticeship Quality Improvement and Sustainability project.
 - Electrotechnology is a key industry for the ACT and will be increasingly so with the ACT government's focus on renewable energy. It has been a priority focus area for this quality

improvement project which has been informed by researching good practice in five TAFEs across four states and in consultation with ACT employers and apprentices.

- CIT has conducted a number of electrical trade employer forums which have resulted in improvements to the enrolment process and the reporting of student issues and student progress back to employers. Increased engagement with employers is formalised with regularly scheduled meetings to gather intelligence on changes in industry that CIT needs to incorporate into its educational delivery.
- ASQA initiated and conducted a compliance audit on 26 November 2015 on two competencies from the certificate III in electrotechnology electrician.
- CIT was advised by ASQA that the audit was only in response to media attention about the delivery and assessment of this qualification at CIT. I think it is important for members to note that ASQA were not in receipt of a direct complaint in relation to CIT.
- ASQA provided its interim audit findings to CIT on 17 December 2015, and further evidence was submitted by CIT on 22 January 2016.
- ASQA's report was finalised and provided to the CEO of CIT on 16 February 2016.
- There are references to "non-compliance" in the audit and it is important to put these in context.
- "Non-compliance" in these circumstances essentially means that on the evidence provided on 26 November there was a risk the organisation was non-compliant. More evidence was then provided on 22 January 2016, similar to a prima facie case to answer in a court case. In this case, once the evidence was produced and tested, CIT was found to be compliant.
- The final ASQA report finding on the compliance audit highlighted CIT's ongoing compliance with the VET quality framework as relevant to the scope of the audit. ASQA also maintained CIT's low-risk status. No further response to ASQA from CIT in relation to the compliance audit is required.

COMMITTEE COMMENT - THE ASQA REVIEW REPORT

1.7 The Committee has considered the ASQA Review Report and the Minister's statement to the Assembly of 7 April 2016, and makes a number of observations:

- It appears clear to the Committee the courses that were audited by ASQA on 21 November 2015 may not have been all of the courses undertaken by students enrolled in the Electrotechnology Course (both at CIT and at Electro Skills).
- The Committee is concerned it remains unclear from the evidence presented as to whether the conclusion that graduates of CIT have fulfilled the requirements of the Electrotechnology course and a successful Capstone assessment for electrical trade qualification, was warranted.

1.8 With regards to CIT, the concerns raised in submissions and evidence to this Committee in the earlier part of this inquiry - which are highlighted and dealt with in the Committee's Interim

Report at Appendix A - focused on the management and administration of the UEE11 Electrotechnology package. The central issue identified in submissions and evidence to the Committee was CIT handling of approximately 300 electrical apprentices that were transferred from the Electrotech Skills Centre (ElectroSkills)

- 1.9 The Committee also notes that the Minister's statement to the Assembly acknowledged the role played by CIT in addressing problems for the cohort of students affected by the ElectroSkills/CIT courses 'amalgamation'.

In preparing this report, the Committee contacted ASQA about two matters related to the review:

- To confirm that the sole reason the audit review was undertaken was the media report in the *The Canberra Times* of 9 September 2015 ; and,
- To ascertain whether any audit or review of courses undertaken as part of their training by the Electroskills trainees transferring to CIT were in compliance with applicable standards, and whether all students had undertaken appropriate level of courses.

The Committee has not received a response to its queries at the time of tabling this report.

MATTERS RAISED BY THE ASQA REVIEW

- 1.10 In examining these matters, the Committee remains concerned that – in a dangerous technical course – public and industry confidence is retained following the difficult circumstances that followed the unexpected and unplanned amalgamation of two Electrotechnology Courses - one conducted by a private Registered Training Organisation (RTO), ElectroSkills -being merged with into the CIT course, late in the curriculum.

RECOMMENDATION F1

- 1.11 The Committee recommends that the Minister for Higher Education and Training compel CIT to review each electrical trade graduate and provide an assurance that combined courses set up following the unexpected combining of the ElectroSkills and CIT course resulted in all students completing all mandatory components or units to obtain the electrical trade qualifications they were awarded.**

RECOMMENDATION F2

- 1.12 The Committee recommends that, following the review recommended in recommendation F1, should any deficiencies be identified , CIT ensure a catch-up or complementary course of training is completed by these graduates.**

CIT RESPONSE TO COMMITTEE RECOMMENDATION 5

Recommendation 5 of the Interim Report is as follows:

- 1.13 The Committee recommends that, in its response to the ASQA audit report, the Canberra Institute of Technology identify procedures it has taken to ensure all Electrotechnology apprentices who completed their Capstone have become appropriately qualified after being transferred from the Electrotech Skills Centre to the Canberra Institute of Technology. Furthermore, the Canberra Institute of Technology should provide this information to this Committee by 31 May 2016.
- 1.14 The Committee is disappointed, given several assurances provided to the Committee by CIT that a reply to the Committee's queries regarding a response to Recommendation 5 was pending, that no response has been received from CIT or the Minister on this recommendation at the time of tabling this report.

RECOMMENDATION F3

- 1.15 Given some perceived resistance by CIT to the Committee's various correspondence, the Committee recommends that CIT identify processes and assessments it has taken to ensure all Electrotechnology apprentices who completed their Capstone exam (Electrical Systems Safety) have adequately demonstrated the skills and understanding to have become qualified after being transferred from the ElectroSkills Centre to the CIT. The Committee further recommends that an audit be conducted by an independent appropriately certified assessor or organisation. In addition, the Minister should respond to this Committee as soon as possible regarding this recommendation, but in any event by the first sitting day of the Assembly in August 2016.**

RECOMMENDATION F4

- 1.16 The Committee recommends that CIT put in place a contingency plan to ensure continuity of tuition is available to all students should CIT be required to integrate large numbers of students into any of its courses in the future.**
- 1.17 Further, the Committee recommends The Minister for Higher Education and Training satisfy herself that the steps CIT takes to put in place a plan or protocol for the proposals put by the Committee in this report are adequate.**

Jayson Hinder MLA

Chair

June 2016

Appendix A [INTERIM REPORT](#)

INTERIM REPORT BY THE COMMITTEE ON THIS INQUIRY TABLED
ON 17 FEBRUARY 2016

INQUIRY INTO VOCATIONAL EDUCATION AND YOUTH TRAINING IN THE ACT

INTERIM REPORT – FEBRUARY 2016

STANDING COMMITTEE ON EDUCATION, TRAINING AND YOUTH AFFAIRS

REPORT 5

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Secretary: Mr Andrew Snedden

Research Officer: Ms Josephine Brown

Administration: Ms Lydia Chung

CONTACT INFORMATION

Telephone 02 6205 0199
Facsimile 02 6205 0432
Post GPO Box 1020, CANBERRA ACT 2601
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ABBREVIATIONS

ACT	Australian Capital Territory
ACTFA	ACT Funding Agreement
ASBA	Australian School Based Apprenticeships
AEU	Australian Education Union
AVTA	Australian Vocational Training Academy
CHC	Creating Homes and Communities
COAG	Council of Australian Governments
CPI	Consumer Price Index
ETD	Education and Training Directorate
MARSS	Migrant and Refugee Settlement Services
MOU	Memorandum of Understanding
NASWD	National Agreement for Skills and Workforce Development
NCVER	National Centre for Vocational Education Research
NEA	National Education Agreement
NECA	National Electrical and Communications Association
NERA	National Education Reform Agreement
NESB	Non English Speaking Background
NPA	National Partnership Agreement
NPP	National Partnership Payments
NSW	New South Wales
PASS	Program for After School Studies
RTO	Registered Training Organisation
SPICE	Students Participating in Community Enterprise
SPP	National Specific Purpose Payments
TAFE	Technical and Further Education
TFA	ACT Building and Construction Industry Training Fund Authority
UC	University of Canberra
VET	Vocational Education and Training
VETIS	VET in School

RECOMMENDATIONS

RECOMMENDATION 1

- 4.9** The Committee recommends that the ACT Government improve student engagement and access to vocational education and youth training information at an earlier age.

RECOMMENDATION 2

- 4.19** The Committee recommends that the Minister for Education and Training provide a report to the Legislative Assembly, during the May 2016 sitting week, on the progress of the Education and Training Directorate's review of Vocational Education and Training in Schools, Registered Training Organisation requirements for schools and the longitudinal study of school leavers.

RECOMMENDATION 3

- 4.30** The Committee recommends that
- A)** The ACT Government include an additional assessment to be provided by the ACT Government prior to the authorisation of high risk licences as part of a phased implementation; and
 - B)** The inclusion of an additional assessment is reviewed 12 months after its introduction with a view of including this process for lower risk qualifications.

RECOMMENDATION 4

- 5.21** The Committee recommends the Minister for Education and Training table the Australian Skills Quality Authority's report in relation to the audit of the Electrotechnology Department at the Canberra Institute of Technology in the Legislative Assembly immediately upon its receipt by the Minister.

RECOMMENDATION 5

- 5.23** The Committee recommends that, in its response to the ASQA audit report, the Canberra Institute of Technology identify procedures it has taken to ensure all Electrotechnology apprentices who completed their Capstone have become appropriately qualified after being transferred from the Electrotech Skills Centre to the Canberra Institute of Technology. Furthermore, the Canberra Institute of Technology should provide this information to this Committee by 31 May 2016.

RECOMMENDATION 6

- 5.29** The Committee recommends that in future Annual and Financial Reports the Canberra Institute of Technology include updates on activities and initiatives set

out by the Canberra Institute of Technology under the Respect, Equity and Diversity Framework.

RECOMMENDATION 7

7.15 The Committee recommends that the ACT Government collaborate with the Commonwealth Government to increase the financial support provided to multicultural community organisations that provide English programs.

RECOMMENDATION 8

7.27 The Committee recommends that the ACT Government examine whether the introduction of cross cultural training into Vocational Education and Training would be beneficial to students from Non-English Speaking Backgrounds. If found beneficial, the Committee further recommends that the ACT Government consider further funding to deliver cross cultural training.

RECOMMENDATION 9

8.9 The Committee recommends that the Minister for Education and Training engage with the relevant Ministerial Council to explore the possibility of introducing the initiative of the Victorian Department of Education and Training, in relation to subcontracting reforms, nationally.

RECOMMENDATION 10

8.10 The Committee recommends that the Minister for Education and Training raise the principles underpinning the regulation of ASQA, as per paragraph 5.31 in the Senate Inquiry, with other States and Territory at the relevant Ministerial Council.

1 INTRODUCTION

CONDUCT OF THE INQUIRY

- 1.1 On 29 May 2013, the Committee resolved to undertake an inquiry into and report on matters relating to vocational education and youth training programs, strategies and resourcing in the Australian Capital Territory (ACT).
- 1.2 The Committee agreed that the Terms of Reference for the Inquiry would consider the current structure and implementation of national, regional and ACT plans and programs for the perspective of the public educational institutions, Registered Training Organisations (RTOs) and industry-based and skills-based training programs.
- 1.3 The Committee advertised its Terms of Reference in ACT newspapers seeking written submissions by November 2013, however; during the course of the Inquiry further submissions were received. Details about the Inquiry and an invitation to make submissions were also forwarded to a broad range of stakeholders. Information about the Inquiry was published on the ACT Legislative Assembly website.
- 1.4 During the Inquiry period, the Committee received 17 submissions, heard from witnesses during seven public hearings held on: 26 March 2014, 28 August 2014, 03 September 2014, 15 October 2014, 01 April 2015, 08 April 2015, 26 August 2015, and two in-camera hearings.¹
- 1.5 The Committee also considered follow-up material provided in response to matters raised at the Committee's hearings.

CONTEXT OF THE INQUIRY

- 1.6 The Committee has previously undertaken an inquiry into Vocational Education and Training (VET) in the ACT and has a substantial understanding of the historical development of VET in Australia and specifically in the ACT.²

¹ All submissions are accessible at: <http://www.parliament.act.gov.au/in-committees/standing_committees/Education,-Training-and-Youth-Affairs/inquiry-into-vocational-education-and-youth-training-in-the-act?inquiry=457739>

² ACT Legislative Assembly, *Inquiry into Vocational Education and Training (VET) and Skills Shortages*, Standing Committee on Education, Training and Youth Affairs 2008, <<http://www.parliament.act.gov.au/in-committees/previous-assemblies/Standing-Committees-Sixth-Assembly/Standing-Committee-on-Education,-Training-and-Young-People/08.-Vocational-Education-and-Training-to-address-Skills-Shortages>>

- 1.7 A number of reviews, inquiries and initiatives which are relevant to the issues raised by the Inquiry include:
- the Senate Standing Committee on Education and Employment; Inquiry into the Operation, Regulation and Funding of Private Vocational Education and Training (VET) Providers in Australia (2015);³
 - the Senate Standing Committee on Education and Employment; Inquiry into Technical and further Education in Australia (2014);⁴
 - the National Centre for Vocational Education Research (NCVER) report on Disadvantaged Learners and VET to Higher Education Transitions (2014);⁵
 - NSW Parliamentary Research Service report on TAFE Organisation and Funding in NSW: Past and Present (2014);⁶
 - Foundation for Young Australians, *How Young People are Faring, the National Report on the Learning and Earning of Young Australians* (2013);⁷
- 1.8 While some of these publications concentrate on a range of issues including, youth engagement in higher education and the role of RTOs in delivering services and programs, the recommendations arising from these inquiries have focused on the full range of vocational education and youth training issues.

ACKNOWLEDGMENTS

- 1.9 The Committee acknowledges the extensive efforts within the ACT Government and other agencies to improve understanding and develop strategies relating to vocational education and youth training.
- 1.10 The Committee thanks those who made submissions to the Inquiry and who gave evidence at the Committee's hearings.

³ Parliament of Australia, *Second Interim Report: Operation, Regulation and Funding of Private Vocational Education and Training (VET) Providers in Australia*, Senate Standing Committee on Education and Employment, 2015: <http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Education_and_Employment/vocationalead/Second_Interim_Report>

⁴ Parliament of Australia, *Technical and Further Education in Australia*, Senate Standing Committee on Education and Employment, 2014, <http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Education_and_Employment/TAFE>

⁵ Griffin, Tabatha. *Disadvantaged Learners and VET to Higher Education Transitions*, National Centre for Vocational Education Research, 2014, <<http://www.ncver.edu.au/>>

⁶ Wilkinson, John. *TAFE Organisations and Funding in NSW: Past and Present*, NSW Parliamentary Research Services, 2014, <[http://www.parliament.nsw.gov.au/prod/parlment/publications.nsf/key/TAFEorganisationandfundinginNSW:pastandpresent/\\$File/Training+in+NSW.pdf](http://www.parliament.nsw.gov.au/prod/parlment/publications.nsf/key/TAFEorganisationandfundinginNSW:pastandpresent/$File/Training+in+NSW.pdf)>

⁷ Foundation for Young Australians, *How Young People are Faring, the National Report on the Learning and Earning of young Australians*, Foundation for Young Australians, 2013, <https://cica.org.au/wp-content/uploads/FYA_HYPAF-2013_Digital1.pdf>

2 IMPLEMENTATION OF FUNDING FOR ACT YOUTH TRAINING AND EDUCATION PROGRAMS

INTRODUCTION

2.1 In the ACT, publically funded VET programs available to youth are implemented through a combination of ACT and Commonwealth Government funding. The ACT Government submission states that:

The implementation of publicly funded VET programs in the ACT is guided by:

- ACT Government priorities

and the objectives agreed between the ACT and Australian Governments under:

- national agreements;
- national partnership agreements and associated ACT implementation plans; and
- national project agreements.⁸

2.2 The Education and Training Directorate (ETD) administers Territory and Commonwealth Government funds for a variety of skills development programs and education programs. ETD manages all aspects of Australian Apprenticeship delivery and the Skilled Capital initiative, which is designed to improve access to high quality training in areas of skills need and lead to improved employment outcomes.⁹

2.3 In the 2015-16 ACT Budget, the ACT Government payment for VET outputs was \$36.288 million. An additional \$77.870 million was allocated to the Canberra Institute of Technology (CIT).¹⁰

2.4 Under National Partnership Payments (NPPs) and National Specific Purpose Payments (SPPs), the 2015-16 Commonwealth Government Budget allocated \$29.908 million for Skills and Workforce Development funding to the ACT.¹¹

2.5 The Committee was advised during its Inquiry into Annual and Financial Reports 2014-15 that:

With a changing VET environment, CIT has developed systems to adjust to the

⁸ ACT Government, *Submission 1*, p. 10.

⁹ ACT Government, *2015-16 Budget Statements Education and Training Directorate*, p. 11.

¹⁰ ACT Government, *Budget Statements*, Budget 2015-2016, June 2015, <http://apps.treasury.act.gov.au/budget/budget-2015-2016/budget-statements>

¹¹ ACT Government, *2015-16 Budget Paper No. 3, Federal Financial Relations*, June 2015, p. 239. <http://apps.treasury.act.gov.au/budget/budget-2015-2016/budget-paper-3>

national vocational education and training reform agenda, particularly for the preparation and introduction of VET FEE-HELP for government subsidised programs in diploma and above...¹²

ACT GOVERNMENT FUNDING FOR VET

- 2.6 ACT Government funding for VET is provided to agencies including the Education and Training Directorate and Canberra Institute of Technology (CIT) for delivery and administration of VET programs, including programs accessed by youth.¹³

Table 1 – ACT Government Budget Funding for VET¹⁴

	2014-2015 ACT Budget	2015-2016 ACT Budget	+/-
ETD			
Output Class 3—Vocational Education and Training	\$35.059 million	\$36.288 million	+\$1.229 million
CIT			
Output Class 1—Canberra Institute of Technology	\$68.578 million	\$69.148 million	+0.570 million
CIT			
Capital Injection	\$6.134 million	\$8.722 million	+\$2.588 million

- 2.7 Evidence from the Minister for Education and Training, explained further how the ACT Government allocates VET funding:

In addition to the substantial funding the ACT Government provided directly to CIT, which is about \$70 million, the ACT Government also allocated just over \$13 million in user choice funds, paid directly to RTOs to support training.¹⁵

- 2.8 The CIT capital injection allocation of \$8.722 million included \$4.950 million for the modernisation of the Tuggeranong, Bruce and Reid campuses.¹⁶
- 2.9 The increase of \$0.570 million to CIT in the 2015-2016 ACT Budget from the 2014-2015 estimated outcomes is mainly due to recurrent funding for CIT modernisation – Tuggeranong,

¹² Inquiry into Annual and Financial Reports 2014-15, *Transcript of Evidence*, p.91.

¹³ ACT Government, *Submission 1*, p. 10.

¹⁴ ACT Government, *2015-16 Budget Statements, Education and Training Directorate*, p. 11, p. 39 (Table 11, Table 32 and Table 33).

¹⁵ Ms Joy Burch, Minister for Education and Training, *Transcript of Evidence*, 08 April 2015, p. 206

¹⁶ ACT Government, *2015-16 Budget Statement*, June 2015, p. 39, Table 33.

<http://apps.treasury.act.gov.au/data/assets/pdf_file/0007/733813/F-ETD-Budget-Statements.pdf>

Bruce and Reid Campuses (\$1.071 million) and revised superannuation parameters (\$0.841 million), partially offset by the whole of government savings initiatives (\$0.527 million).¹⁷

2.10 The ACT Government submission also noted that the *Building and Construction Industry Training Levy ACT 1999* imposes a levy for improving training in the building and construction industry. The ACT Building and Construction Industry Training Fund Authority (TFA) administers the training funds raised by this levy.¹⁸

2.11 In evidence provided to the Committee, the Minister for Education and Training, emphasised the importance of the Skilled Capital funding and how the ACT Government implements this funding:

This year we saw the introduction of Skilled Capital, which is a \$21 million investment over three years to skill Canberrans in sectors that are key drivers. This targets our funding to support training in areas of high need. It is fully contestable, thereby allowing all RTOs that meet our eligibility requirements to seek funding under this program. So far, over 1,200 students have enrolled in Skilled Capital since enrolments opened this year.¹⁹

COMMONWEALTH GOVERNMENT FUNDING FOR VET

Table 2 – Commonwealth Government Budget Funding for VET in the ACT²⁰

	2014-2015 Budget	2014-15 Est. Outcome	2015-2016 Budget	Variation between 2014- 15 and 2015-16 Budget
National Skills and Workforce Development SPP	\$23.655 million	\$23.544 million	\$23.858 million	+\$0.203 million
Students First	\$247.678 million	\$253.421 million	\$268.404 million	+\$20.726 million
Trade Training Centres in Government Schools	\$3.919 million	\$2.984 million	\$0.725 million	-\$3.194 million

¹⁷ ACT Government, *Budget Statements*, Budget 2015-2016, June 2015
http://apps.treasury.act.gov.au/data/assets/pdf_file/0007/733813/F-ETD-Budget-Statements.pdf

¹⁸ ACT Government, *Submission 1*, p. 11.

¹⁹ Ms Joy Burch, Minister for Education and Training, *Transcript of Evidence*, 08 April 2015, p. 206.

²⁰ ACT Government, *2015-16 Budget Paper No. 3, Federal Financial Relations*, pp. 238-239.

	2014-2015 Budget	2014-15 Est. Outcome	2015-2016 Budget	Variation between 2014- 15 and 2015-16 Budget
Trade Training Centres in Non- Government Schools	\$0.826 million	\$1.158 million	\$0.00	-\$0.826 million
Building Australia's Future Workforce	\$6.046 million	\$6.046 million	\$6.050 million	+\$0.004 million

- 2.12 In the 2015-16 Commonwealth Budget, the Commonwealth provided funding of \$1.8 billion to support state and territory skills and workforce development services, including \$1.5 billion through the National Skills and Workforce Development SPP and \$377.4 million through National Partnership Payments.²¹
- 2.13 Of the \$1.5 billion provided under the National Skills and Workforce Development SPP, the ACT received \$23.9 million. Of the \$377 million allocated for the National Partnership on skills reform, the ACT will receive \$6.05 million in 2015-16.

NATIONAL SPECIFIC PURPOSE PAYMENTS

- 2.14 The *Commonwealth of Australia Constitution Act 1900*, Chapter IV, Section 96 empowers the Commonwealth with the capacity to make annual payments to States and Territories to assist in the delivery of services to their communities, subject to conditionality. SPP funding falls under this section as it supports the efforts of the States and Territories in delivering services in major service delivery sectors, including National Skills and Workforce Development.
- 2.15 Currently, the ACT Government receives two SPPs from the Commonwealth, the National Agreement for Skills and Workforce Development (NASWD) and the National Education Reform Agreement (NERA).
- 2.16 The NASWD identifies the long-term objectives of the ACT, Australia and other State and Territory Governments in the areas of Skills and Workforce Development, and recognises the interest of all Governments in ensuring the skills of the Australian people are developed and utilised in the economy.²²

²¹ Australian Government, *Budget 2015-16, Budget Paper 3:Part 2: Payments for Specific Purposes, Skills and Workforce Development*, May 2015, http://budget.gov.au/2015-16/content/bp3/html/bp3_03_part_2d.htm

²² ACT Government, *Submission 1*, p. 11.

- 2.17 In the 2015-2016 Commonwealth Budget the ACT Government has been allocated \$23.858 million for the continued participation in the NAWSD.
- 2.18 The objective of this National Agreement is a VET system that delivers a productive and highly skilled workforce, which enables all working age Australians to develop the skills and qualifications needed to participate effectively in the labour market and contribute to Australia's economic future; and supports the achievement of increased rates of workforce participation.²³
- 2.19 Key projects to be implemented in the ACT under the NASWD which have benefits for youth training and education include:
- better linkages between employment and training initiatives;
 - ACT entitlement to training;
 - growing system capacity to meet learner language, literacy, numeracy and other foundational skills needs;
 - integration of income contingent loans into the ACT VET system;
 - strengthening of quality criteria for access to public subsidy funding; and
 - risk profiling of RTOs.²⁴
- 2.20 In the 2015-2016 Commonwealth Budget the ACT Government has been allocated \$268.4 million for the continued participation in the NERA.
- 2.21 On 1 January 2014, the Commonwealth Government replaced the National Education Agreement (NEA) with NERA. The NERA reaffirms the Commitment of ACT, Australian and other State and Territory Governments to the objective that Australian schooling should provide a high quality and equitable education for all students.²⁵
- 2.22 Key commitments under the NERA which have benefits for youth training and education include:
- quality teaching;
 - quality learning;
 - empowered school leadership;
 - meeting student needs; and
 - transparency and accountability.

²³ Council of Australian Governments, *National Agreement for Skills and Workforce Development*, Council on Federal Financial Relations, <http://www.federalfinancialrelations.gov.au/content/npa/skills/skills-reform/national_agreement.pdf>

²⁴ ACT Government, *Submission 1*, p. 13.

²⁵ ACT Government, *Submission 1*, p. 11.

NATIONAL PARTNERSHIP PAYMENTS

- 2.23 Under the Intergovernmental Agreement, NPPs provided to states and territories are the key vehicle to support the delivery of specified projects, facilitate reforms, or reward those jurisdictions that deliver on nationally significant reforms.²⁶
- 2.24 In the 2015-2016 Commonwealth Budget the ACT Government received two separate NPPs. The first funding falls under Education and Early Childhood NPP, the second is considered a part of the Skills and Workforce Development NPP.
- 2.25 Under the Education and Early Childhood NPP, the ACT Government received funding for the development and maintenance of Trade Training Centres in Government schools. In the 2015-2016 Commonwealth Budget the ACT Government was allocated \$0.725 million for Trade Training Centres in Government schools.
- 2.26 The 2014-15 Commonwealth Budget allocated \$1.158 million to non-government schools for Trade Training Centres. This initiative did not receive funding in the 2015-16 Commonwealth Budget.
- 2.27 The Committee was advised that Trade Training Centres are intended to increase the proportion of students achieving year 12 or an equivalent qualification, to address skills shortages in traditional trades and emerging industries, and to improve the relevance and responsiveness of trade training programs in secondary schools.²⁷
- 2.28 In 2012 the Commonwealth Government provided \$8.163 million for the establishment of the Tuggeranong Sustainable Living Trade Training Centre. This centre provides training and employment pathways to automotive, construction, horticulture and hospitality for students attending public high schools and colleges in Tuggeranong.²⁸
- 2.29 Further examples of how the ACT Government utilises NPP funded Trade Training Centres in ACT Schools include:
- refurbishment of six Government school VET facilities in the Tuggeranong Network;
 - redevelopment work at Lanyon, Caroline Chisholm, Wanniasa and Calwell High School;
 - redevelopment of Erindale College's commercial kitchen and cafe seating areas; and

²⁶ Australian Government 2011, *Budget 2011-12 Budget Paper 3: Payments for Specific Purposes*, <http://www.budget.gov.au/2011-12/content/bp3/html/bp3_03_part_2a.htm>

²⁷ Ms Diane Joseph, Education and Training Directorate, *Transcript of Evidence*, 26 March 2014, p. 10.

²⁸ ACT Government, *Submission 1*, p. 16.

- purpose built construction facility and development of existing technology workshops at Tuggeranong College.²⁹
- 2.30 ETD told the Committee that on 23 January 2014 the ACT Government announced that there would be a Trade Training Centre for the Belconnen region:
- A total of \$8 million of funding will be going to that regional trade training skills centre. It will enable facilities across seven government high schools and colleges to be refurbished to industry standard and it will be essential to maintain compliance with national RTO standards.³⁰
- 2.31 The second NPP the ACT Government receives falls under the National Partnership Agreement on Skills Reform, Building Australia's Future Workforce (the Agreement). This funding assists in the delivery of skilled workers the economy needs. In the 2015-2016 Commonwealth Budget the ACT Government was allocated \$6.050 million for Building Australia's Future Workforce initiative.
- 2.32 The Agreement seeks to deliver a VET system with improved quality and greater transparency for students, employers and Governments, greater access to training opportunities, improved outcomes for disadvantaged students, and greater efficiency.³¹
- 2.33 The objectives and outcomes of this Agreement include reforming training to achieve a more demand driven and client focused system, and driving the next wave of innovation and productivity.³²
- 2.34 The objectives and outcomes achieved through Building Australia's Future Workforce initiative are directly related to the reform directions agreed under the NASWD.

ADJUSTMENTS TO COMMONWEALTH FUNDING

- 2.35 During the 43rd Parliament (2010-2013), the Commonwealth Government introduced Training Places for Single and Teenage Parents. The Commonwealth Government, in conjunction with the States and Territories, provided training places for Single and Teenage parents at the concessional rate determined by each State and Territory, where parents were eligible for concessions. The initiative was targeted at teenage or single parents moving from a Centrelink

²⁹ ACT Government, *Submission No. 1*, p. 16.

³⁰ Ms Diane Joseph, Education and Training Directorate, *Transcript of Evidence*, 26 March 2014, p. 10.

³¹ Australian Government, *Budget 2015-16, Budget Paper 3, Part 2: Payments for Specific Purposes* <http://budget.gov.au/2015-16/content/bp3/html/bp3_03_part_2d.htm>

³² Australian Government, *Budget 2015-16, Budget Paper 3, Part 2: Payments for Specific Purposes* <http://budget.gov.au/2015-16/content/bp3/html/bp3_03_part_2d.htm>

Parenting Payment Single to a Newstart Payment. Eligible parents had the opportunity to access accredited Certificate II to Certificate IV level VET courses.

2.36 In the 2014-2015 Commonwealth Budget the Commonwealth allowed the Technical and Further Education (TAFE) Fee Waivers for Childcare Qualifications National Partnership Agreement (NPA) to expire, along with the Joint Group Training Program. The Commonwealth also terminated the Training Places for Single and Teenage Parents agreement in advance of its expiry date. The total value of the expired and terminated agreements to the ACT was \$0.571 million in 2013-2014.

2.37 The Executive Officer, Office of the Board of Senior Secondary Studies, advised the Committee of the impact the termination of the Training Places for Single and Teenage Parents program has had on Canberrans accessing youth training and education programs:

Training places for Single and Teenage Parents continued until the middle of 2014, because one of the many things that the current Commonwealth Government has changed is that the whole program has ceased... In some regards, I can understand why it has ceased, because the only jurisdiction where it was meeting targets and being successful was the ACT, probably mainly because of CCCares with its large captive clientele.

Currently, at Canberra College the principal there and the coordinators at CCCares are looking at how they can continue with those programs in the absence of that substantial amount of funding that was provided previously by the Commonwealth Government.³³

2.38 The Executive Director, Housing Industry Association, highlighted further limitations to vocational networking through the reduction in funding for educational programs:

Up until 2013 the Housing Industry participated in a federally funded program where industry members would go out and speak to students and assist in mentoring. Housing Industry Association would attend 30 ACT and surrounding schools, talking about the benefits of coming into the industry and opportunities available. However, over the last year the funding has gone by the wayside.³⁴

2.39 In evidence provided to the Committee, the Deputy Federal Secretary and TAFE Secretary, Australian Education Union (AEU), highlighted an overall concerning trend in VET funding:

³³ Mr John Stenhouse, Executive Officer, Office of the Board of Senior Secondary Studies, *Transcript of Evidence*, 27 August 2014, p. 38.

³⁴ Mr Neil Evans, Executive Director, Housing Industry Association, *Transcript of Evidence*, 15 October 2014, p. 124.

The VET sector is the lowest funded of all education sectors in Australia. It lags behind primary, secondary and higher education in respect of resourcing and funding. That has been a picture of underfunding that goes back almost 25 years. In the last 10 years, for example, the decline in funding to the VET sector has been about 25 per cent. So it is a significant pattern of underfunding over the last period of time.³⁵

VET FEE-HELP

- 2.40 In April 2012 the Council of Australian Governments (COAG) agreed to a revised National Agreement for Skills and Workforce Development and a new National Partnership Agreement on Skills Reform.³⁶
- 2.41 At the heart of these reforms was the adoption of the Commonwealth proposal for a national training entitlement, the increased availability of income contingent loans, and a more open and competitive VET market.³⁷
- 2.42 In 2015 the ACT began to trial VET FEE-HELP through a number of Graduate Certificates, Diplomas and Advanced Diplomas available through the following RTOs:
- Anglican Church Property Trust Diocese of Canberra and Goulburn;
 - Australian Beauty Therapy Academy Pty. Ltd;
 - Australian Business Academy Pty. Ltd;
 - Canberra Institute of Technology;
 - Capital Training Group Pty. Ltd;
 - CMA Training Group Pty. Ltd;
 - Pharmaceutical Society of Australia;
 - The Academy of Interactive Entertainment Ltd;
 - The Quest Group Pty Limited; and
 - Unity College Australia Incorporated.

³⁵ Ms Pat Forward, Deputy Federal Secretary and TAFE Secretary, Australian Education Union, *Transcript of Evidence*, 01 April 2015, p. 182.

³⁶ Council of Australian Governments, *Reform Agenda: Skills and Training*, quoted in Parliament of Australia, *Initial Interim Report: Operation, Regulation and Funding of Private Vocational Education and Training (VET) Providers in Australia*, Parliament of Australia, Senate Standing Committee on Education and Employment, *Second interim report: Operation, regulation and funding of private vocational education and training (VET) providers in Australia*, June 2015: <http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Education_and_Employment/vocationalead/Second_Interim_Report>

³⁷ Council of Australian Governments, *Reform Agenda: Skills and Training*, quoted in Parliament of Australia, *Initial Interim Report: Operation, Regulation and Funding of Private Vocational Education and Training (VET) Providers in Australia*, Senate Standing Committee on Education and Employment, 2015: <http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Education_and_Employment/vocationalead/Second_Interim_Report>

2.43 In the ACT, VET FEE-HELP has become available to students wishing to access courses that are not identified on the Forecast of Industry Needs List. Courses that are not identified on this list are usually subject to full fee payment as those courses are not eligible for Commonwealth subsidies. The expansion of VET FEE-HELP to additional courses allows students who are enrolled in full fee courses to acquire a loan to cover the course cost and make repayments when the students' income is above the minimum threshold for compulsory repayment.

2.44 Concerns were raised in relation to VET FEE-HELP funding being made available to private, for-profit VET providers. The AEU stated:

...there are dangers that are inherent in opening up the sector in a rapid way to the free market and encouraging private for-profit providers into the sector, using inducements of fairly readily available public funds in order to subsidise their training. The public funds have been opened up to the private sector across the country. This has happened nationally, in a relatively short space of time. The figure in 2013 was around 40 per cent of public funds now open to the private market for training. Of that, around 23 per cent nationally is going to the private sector.³⁸

2.45 In evidence presented to the Committee, the Secretary of the AEU, said that the introduction of VET FEE-HELP into vocational education would significantly impact marginalised individuals and the wider ACT community:

CIT has been traditionally an institute which provides opportunities for "second chance" VET and education for the ACT community's disadvantaged population. This function ensures that many thousands of marginalised individuals have engaged in constructive and productive lives which, in turn, have diminished their reliance on costly social and corrective services in the ACT. The benefits to the community to access CIT as a "second chance provider" is diminishing rapidly due to a reduction in funding to CIT.³⁹

2.46 A private citizen advised the Committee of his personal experience with VET FEE-HELP and, as a result his diminishing reliance on CIT as an affordable and accessible education option. Mr Dudley illustrated his concerns to the Committee by comparing the fees associated to the Advanced Diploma of Graphic Design between jurisdictions, institutions and previous years the course was held at CIT. Mr Dudley noted that in 2013, to complete and Advanced Diploma of Graphic Design in New South Wales (NSW) the fees were \$600. In addition, concession card holders received a 50 per cent discount, reducing the fee to \$300, which is vastly different to the \$27,000 for the Advanced Diploma of Graphic design at CIT. While at the University of Canberra (UC), a three year Degree in Graphic Design is just over \$18,000. Furthermore, Mr Dudley advised the Committee that his daughter completed the Advanced Diploma of Graphic

³⁸ Ms Pat Forward, Australian Education Union, *Transcript of Evidence*, 01 April 2015, p.181.

³⁹ Australian Education Union ACT Division, *Submission 3*, p. 8.

Design a few years ago at CIT, paying just over \$1,100 in total, which included fee concessions.⁴⁰

2.47 In providing evidence to the Committee, Mr Dudley advised:

Senior representatives from CIT have said that charging the Graphic Design course at a “commercial rate” has the significant advantage of making the course more accessible for students as it means they can defer payments of their fees through the Commonwealth’s VET FEE-HELP program. That is, the course can be undertaken by students who otherwise may not have been able to afford the fees. However, a significant downside of this is that the students also incur a 20 per cent “loan fee”, imposed by the Commonwealth, as a condition of VET FEE-HELP. In the case of the Advanced Diploma of Graphic Design, this adds \$4,488.00 to a student’s debt. And the VET FEE-HELP debt is also indexed at the Consumer Price Index (CPI). The debt only begins to be repaid, through the tax system, once income goes over a threshold amount. By contrast, students attending universities are not charged a “loan fee”.⁴¹

2.48 Similar concerns have been raised in the Senate Standing Committees on Education and Employment review of Operation, Regulation and Funding of Private VET Providers in Australia. In the second interim report the Senate Standing Committee noted:

- A number of concerns about funding, including the rapid increase in Government funding to non-TAFE providers since the implementation of the market-driven funding model for VET. Specifically, the Committee noted that Government payments to non-TAFE providers for VET delivery had increased from \$523.4 million in 2008 to \$1,362.8 million in 2013;
- Increased volume in VET FEE-HELP funding to for-profit VET providers who retain a substantial amount of the loan as profit, noting that in 2014 the VET FEE-HELP funding to for-profit providers was \$592.6 million compared with \$177.5 million for State-administered TAFE institutes; and
- Evidence suggesting that 40 per cent of all VET FEE-HELP loans will not be repaid due to lack of job opportunities for VET graduates and low wages. Such a high level of bad debt in effect functions as an additional subsidy to providers as the cost is borne by the taxpayer.⁴²

⁴⁰ Mr William Dudley, *Transcript of Evidence*, 27 August 2014, p. 45.

⁴¹ Mr William Dudley, *Submission 2*, p. 3

⁴² Parliament of Australia, Senate Standing Committee on Education and Employment, *Second Interim Report: Operation, Regulation and Funding of Private Vocational Education and Training (VET) Providers in Australia*, June 2015: http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Education_and_Employment/vocational/Second_Interim_Report

- 2.49 The Committee notes that the Senate Committee on Education and Employment has made recommendation to address these issues. The Committee further notes that this clearly is an area where constant vigilance and change will be required.⁴³
- 2.50 In addition to these broader VET reforms, on 12 March 2015, the Commonwealth Assistant Minister for Education and Training announced complementary VET FEE-HELP loan scheme reforms. The reforms will be implemented over the course of 2015 and include eight priority areas for action:
- banning inducements to students under the VET FEE-HELP scheme;
 - tightening VET marketing and recruitment practices;
 - improving the understanding of how VET FEE-HELP operates, and students' rights and obligations;
 - streamlining the debt waiver and revocation processes for students under VET FEE-HELP;
 - strengthening the assessment criteria for, and ongoing scrutiny of, all training providers;
 - ensuring student debt is incurred in line with course delivery and continued student participation;
 - establishing minimum pre-requisite and prior education qualifications, including demonstrated literacy and numeracy requirements; and
 - enhancing training and outcomes information, allowing students to make more informed choices about training providers and courses.⁴⁴

⁴³ Parliament of Australia, Senate Education and Employment References Committee, *The Operation, regulation and Funding of Private Vocational Education and Training (VET) Providers in Australia*, October 2015 http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Education_and_Employment/vocationalead/Final_Report

⁴⁴ Australian Government, Department of Education and Training, *VET FE-HELP Reform Factsheet*, 2015 <<http://www.education.gov.au/vet-fee-help-reforms>>

3 CURRENT PROGRAMS AVAILABLE

INTRODUCTION

- 3.1 As part of the National Youth Participation Requirement, all young people in the ACT are required to participate in schooling until they have completed year ten (or an approved equivalent) and then participate in full-time (at least 25 hours per week) education, training or employment (or a combination of these) until they are aged 17.⁴⁵
- 3.2 The National Youth Participation Requirement is designed to assist young Canberrans make a successful transition from school to work, further education or training.
- 3.3 The Committee received a submission from the ACT Government on current programs available through ACT secondary colleges, vocational training programs and tertiary institutions including: VET in Schools (VETiS), VET outside schools, other vocational learning inside schools, and other vocational learning outside of schools (see Table 1 below). As well as the Government submission, the Committee received evidence about current programs from other organisations.

SCHOOL BASED PROGRAMS

- 3.4 VETiS is undertaken as part of a student's Senior Secondary Certificate that provides credit towards a nationally recognised VET qualification. In the ACT, VETiS programs are designed around Training Packages. A Training Package is a set of nationally endorsed standards, qualifications and guidelines used to recognise and assess the skills and knowledge people need to perform effectively in the workplace. The majority of VETiS programs range from Certificate I to Certificate III level.⁴⁶
- 3.5 Structured Workplace Learning (SWL) is the learning component of a VETiS course that is undertaken in the workplace. The learning outcomes commonly reflect nationally recognised, industry defined competency standards. The student is not paid by the employer who is hosting the work placement. SWL placements are undertaken by students in year ten to 12 who are enrolled in a relevant VETiS course.⁴⁷

⁴⁵ ACT Government, *Submission 1*, p. 18.

⁴⁶ ACT Government, *Submission 1*, pp. 20-50.

⁴⁷ ACT Government, *Submission 1*, p. 20.

- 3.6 Australian School Based Apprenticeship (ASBA) is a specific type of VETiS program. The ASBA program differs from other VETiS programs in that a school based apprenticeship or traineeship also involves an employment and training contract with the employer.
- 3.7 Over 200 qualifications can potentially be achieved through ASBA. ASBAs range from Certificate I to Certificate III level, with over 67 per cent of ASBA students achieving Certificate III level. The top five industries that ASBA students access are: construction, hospitality, sport, fitness and recreation, business and community services.⁴⁸
- 3.8 The Executive Officer, Office of the Board of Senior Secondary Studies provided further detail about ASBAs:
- The number of students in recent years, who have opted to take up the opportunity to do an Australian School Based Apprenticeships, has increased. Most students doing Australian School Based Apprenticeships, or ASBAs, are doing them under the auspices of an external RTO, but there are a small number who do them under one of the school RTOs. An ASBA involves essentially all the competencies being assessed in a workplace situation. A student might typically, if they are doing a Certificate II, have one day a week when they are in the workplace and in lieu of that one day a week they will study one less subject at school, so there is compensation for that. The ASBA appears on your Year 12 Certificate as well. Just like the external e-courses, ASBAs are similar to e-courses in that they are counted towards their year 12.⁴⁹
- 3.9 Alternative programs are also provided to support ACT Government school students in year nine to 12 who are at risk of not achieving their Year 12 Certificate or disengaging from mainstream or alternative education settings. Programs are developed and delivered flexibly through negotiations between ETD and RTOs. Programs are competency based and are continually evaluated, reviewed and adapted to ensure students obtain the best outcomes without compromising training standards. Alternative programs available in ACT Government schools include:
- Hairdressing Programs;
 - Pace it Forward;
 - Wait Skills and Bar Skills Course;
 - CIT Short Course College Programs;
 - Community Services Program;
 - Government Program; and Security Program.⁵⁰

⁴⁸ ACT Government, *Submission 1*, pp. 20-50.

⁴⁹ Mr John Stenhouse, Executive Officer, Office of the Board of Secondary Studies, *Transcript of Evidence*, 27 August 2014, pp. 31-32.

⁵⁰ ACT Government, *Submission 1*, pp. 21-52.

AUSTRALIAN APPRENTICESHIPS

- 3.10 Australian Apprenticeships encompass all apprenticeships and traineeships and can be full time or part time. Australian Apprenticeships combine paid practical work with structured learning and lead to a nationally recognised qualification. Structured training can be on the job, off the job or a combination of both.⁵¹
- 3.11 Australian Apprenticeships are ‘competency based’ which means training can be completed as soon as the required skill level in the full qualification is reached. Apprenticeships generally take longer to complete than traineeships.⁵²
- 3.12 There are over 600 publically funded Australian Apprenticeships available in the ACT. Apprenticeships or traineeships are available in all of the occupations identified in the draft Forecast of Industry Needs List and include both trade and non trade occupations.⁵³
- 3.13 The Minister for Education and Training, advised the Committee of a number of support networks available to Australian Apprentices while they are completing their apprenticeships:

On 19 May, 2014 there was an open day for the apprentice house. It is a partnership between Creating Homes and Communities (CHC), Affordable Housing and the ACT Building and Construction Industry Association. It was designed to provide affordable accommodation for ACT apprentices who are experiencing hardships or difficulties in finding affordable accommodation. Rent is at a fixed rate, or 25 per cent of the weekly wage. It is a brand-new house in Lyons. At the moment it has four bedrooms and storage space for tools and equipment. It is the first project of its type. CHC are hoping to expand it to other areas in the ACT.⁵⁴

- 3.14 The Executive Director, People and Organisational Governance, CIT, added:

... over the last year or so the VET network has been rolling out a program – CIT has certainly been involved – called MAAP, which is the Mentoring Australia’s Apprentice Project. People across the community, including retired or transitioning to retirement tradespeople, offer their time to mentor apprentices. This is a new initiative that has been in place over the last couple of years.⁵⁵

⁵¹ ACT Government, *Submission 1*, p.22.

⁵² ACT Government, *Submission 1*, p.22.

⁵³ ACT Government, *Submission 1*, p. 53.

⁵⁴ Ms Joy Burch, Minister for Education and Training, *Transcript of Evidence*, 26 March 2014, pp. 13-14.

⁵⁵ Dr Nicole Stenlake, Executive Director, People and Organisational Governance, Canberra Institute of Technology, *Transcript of Evidence*, 26 March 2014, p. 21.

CIT COURSES

- 3.15 CIT offers a range of support programs for students who need additional support with language, literacy and numeracy, some of which are outlined below:
- CIT Foundation Skills courses;
 - Language, Literacy and Numeracy Champions Project;
 - Learning Options courses;
 - Access 10;
 - CIT Central courses; and
 - Connect 10 Programs.⁵⁶

WORK EXPERIENCE

- 3.16 There are a number of work experience options available to ACT students. A work experience placement is a student's short term, unpaid participation in the workplace as a learner and an observer. This forms part of a student's broad career development and is not required to be linked to a specific course of study.⁵⁷
- 3.17 In addition, supported work experience placements are available for year nine to ten students with a disability attending ACT Government schools.⁵⁸
- 3.18 The Students Participating in Community Enterprise (SPICE) is a program that coordinates work experience for students who are at risk of disengaging from their education before completing their Year Ten Certificate.⁵⁹

CAREER EDUCATION

- 3.19 Evidence provided to the Committee outlined the support provided to ACT students relating to career education. All students from year six to 12 in ACT schools, (government and non government), engage in the Pathways Planning process. Pathways Planning is designed to be

⁵⁶ ACT Government, *Submission 1*, pp. 56-58.

⁵⁷ ACT Government, *Submission 1*, p. 23.

⁵⁸ ACT Government, *Submission 1*, p. 58.

⁵⁹ ACT Government, *Submission 1*, pp. 56-58.

used by young people with the support of teachers, careers advisors, youth works, community services case managers and other adults who support young people plan for their future.⁶⁰

3.20 Transitions and Careers Officers hold a career qualification and are attached to each ACT Government college. These officers assist with the transition of students into and out of the college sector and improve students' access to careers programs and vocational learning. The Transitions and Careers Officers have developed a range of programs to support students by:

- assisting the transitions of students into and out of the college sector;
- improving student access to careers programs and vocational learning;
- contributing to the integration of careers education and vocational learning within the college;
- providing students who are leaving school with an understanding of employability skills and the work environment;
- providing students with an understanding of the benefits of vocational learning pathways; and
- ensuring students, teachers, parents and carers understand that career development is a lifelong process.⁶¹

3.21 CIT hosts an annual Try a Trade day for high school and college students from across the ACT and surrounding region. The aim of this event is to educate students about the trades available to study, and give them a fun, real life taste of what study entails.⁶²

⁶⁰ ACT Government, Education and Training Directorate, *Pathways Planning*, http://www.det.act.gov.au/school_education/transition_careers_and_vocational_learning/pathways_planning

⁶¹ ACT Government, Education and Training Directorate, *Transitions and Careers Officers*, http://www.det.act.gov.au/school_education/transition_careers_and_vocational_learning/moving_forward_budget_initiative

⁶² ACT Government, *Submission 1*, p. 59.

4 THE EFFECTIVENESS OF PROGRAMS AND STRATEGIES

INTRODUCTION

- 4.1 The providers of VET in the ACT include CIT which is a TAFE institute, adult and community education providers, private providers, community organisations, industry skill centres, and commercial and enterprise training providers. In addition, some ACT schools provide VET.
- 4.2 In 2012, more than two in three (68.1 per cent) ACT VET graduates aged 20-24 years reported an improvement in their employment status in the year after course completion. This outcome is not significantly different to the national rate of 62.9 per cent in the same period. Both the ACT and national rates in 2012 reflect long term trends between 2008 and 2012.⁶³
- 4.3 Submissions and discussion with witnesses examined a number of concerns with the delivery of VET programs that has resulted in VET not being considered as a valuable tertiary education choice. Submissions addressed the gap in VET information offered to parents and students, limitations to VETiS programs and quality assurance concerns.

ACCESS TO VET INFORMATION

- 4.4 The Committee notes that much of the discussion regarding the VET system highlighted the importance of the relationship between providers and participants including, but not limited to, attracting participation through access of information.
- 4.5 During the Inquiry, the ACT Council of Parents and Citizens Associations identified a significant gap in the promotion of quality information to parents. The Executive Member and Treasurer informed the Committee:

Parents have raised the concern that there is not enough quality information distributed on a timely basis about VET. It is recognised that there is less parental engagement in high school and college than what is ideal. Unfortunately, this can produce unintended consequences about the opt-in opportunities of VET.

⁶³ ACT Government, *Submission 1*, p. 41.

Therefore, it is considered appropriate to recommend that timely actions be taken to raise the profile of VET courses with both parents and students.⁶⁴

4.6 This view was echoed by the AEU noting that:

There is already a training and tertiary unit inside ETD but we think it lacks the policy muscle that it should have, which would allow it to proactively go into the school space and actively encourage, actively support, students, giving proper weight to VET in schools programs so that it is not seen as something that is peripheral, it is not seen as something that is second best. That would include the way in which VET in schools is presented to parents and would also involve industry more directly in that space so that when students are contemplating, they can see a continuum. You start the journey at school and you can follow that into TAFE. You can follow it into university if you wish. You can follow it into the workplace. And there are a lot more chaperones along the way that help people to make that journey, to start it well, to navigate it well and to arrive at a destination which is to the benefit of all.⁶⁵

4.7 The Committee acknowledges the ACT Government's recent attempts to improve RTO information accessible to the consumer, through the launch of a consumer information website. The Director of Training and Tertiary Education, ETD advised:

Obviously, providing improved consumer information has been one of the key aspects of focus for us under the skills reform national partnership. We've developed a new website that was launched by the Minister towards the end of last year that is heavily focused on our new funded training initiative but provides information about the RTOs that are eligible to deliver training and what programs or what qualifications they are actually eligible to deliver.⁶⁶

4.8 Although the Committee does acknowledge the ACT Government's attempts to improve access to VET information, the Committee, through discussion, has come to understand that young people who would benefit greatly from VET information are also at the stage where they are most likely to disengage from school due to negative experiences. Improved access to information and parental engagement during this period could result in a reduction in the number of youth experiencing disengagement from the education system.

⁶⁴ Mr Hugh Boulter, Executive Member and Treasurer, ACT Council of Parents and Citizens Associations, *Transcript of Evidence*, 03 September 2014, p. 86.

⁶⁵ Mr Garrett Purtill, Industrial Officer, Australian Education Union, ACT Branch, *Transcript of Evidence*, 15 October 2014, p. 156.

⁶⁶ Mr David Miller, Director, Training and Tertiary Education, Education and Training Directorate, *Transcript of Evidence*, 08 April 2015, p. 214.

Recommendation 1

4.9 The Committee recommends that the ACT Government improve student engagement and access to vocational education and youth training information at an earlier age.

4.10 In this way, the Committee believes young people can be engaged in the idea of VET and have exposure VET in a “taster” type environment.

EFFECTIVENESS OF SCHOOL BASED PROGRAMS

4.11 During the course of the Inquiry, concerns raised in submissions focused on the usefulness of school based VET programs. The central concern was the effectiveness of the current approach used by ACT schools to deliver VETiS. Two significant issues identified in evidence included: inadequate attainment of industry skills and poor resource management within schools.

4.12 Trends identified by the NCVER suggest that VETiS qualifications are not considered the same standard as qualifications delivered by TAFE providers. A Senior Research Officer at NCVER advised the Committee:

In terms of the VET in schools programs, though, there is some angst in industry, and even among TAFE providers, in that it is not quite the same as what is being offered by VET, and industries do not necessarily think that they get the same workplace skills as they would get through a normal VET provider.⁶⁷

4.13 Similar concerns were raised by the Construction, Forestry, Mining and Energy Union, ACT Branch:

As you know, some colleges have their VET school embedded in them and some operate very well. But what you are finding, I think, when you are delivering, say, Certificate I and Certificate II in construction—this is some of the feedback we are getting from their employers—is that they are doing that in an environment where the practical is probably not realistic. When you have done a cert I and a cert II, you actually get credit transfers added to your Certificate III.⁶⁸

4.14 While the NCVER identified quality concerns with VETiS, it also recognised the positive impacts VETiS has on students:

In terms of whose needs it is meeting, it depends on who you are. In terms of industry, as I said, they do not necessarily believe that VET in schools is the same as doing VET

⁶⁷ Mr Patrick Lim, Senior Research Officer, National Centre for Vocational Education and Research, *Transcript of Evidence*, 03 September 2014, p. 69.

⁶⁸ Mr Jason Jennings, President, Construction, Forestry, Mining and Energy Union, ACT Branch *Transcript of Evidence*, 15 October 2014, p. 151.

full time through a provider. The RTOs out there also do not necessarily believe that it is the same quality as what you would get through an RTO. In terms of schools and aspirations, it is definitely impacting on students and their pathways. Also we have to acknowledge that not every person at school is going to want to pursue an academic pathway. We know that year 12 is a minimum qualification. Research clearly shows that year 12 is the minimum qualification in the modern labour market. So if VET in schools is a way to make people stay at school, I think it is highly valuable.⁶⁹

4.15 Although evidence presented highlights industry concerns with the validity of VETiS qualifications, the Committee recognises that VETiS qualifications assist students in attaining a qualification that can be used for further education or employment. An individual who has the opportunity to attain a Certificate III or above has improved employment outcomes, which supports their full participation in the ACT economy. However, the Committee has come to understand that the sustainability of these programs relies heavily on the ability of staff to maintain the quality of the program they deliver.

4.16 In evidence to the Committee, an Industrial Officer within the AEU, ACT Branch, advised that sustainability concerns are a direct result of limited support provided to VETiS teachers:

The VET in schools program is one that is littered with half policies, programs and partnerships, good ideas and lots of opinions. But it lacks a galvanizing governing central strategy in ACT schools... There is a strongly felt perception that the lack of resources in schools means that shortcuts have to be of necessity taken and that the graduates on entering CIT are not sufficiently trained to be able to confidently grade them as equivalent to those coming from employment.⁷⁰

4.17 It was also noted that the AEU have surveyed VETiS teachers, to determine teacher satisfaction with the current delivery requirements of VET programs in ACT schools:

Nearly 80 per cent of the respondents said that they did not have adequate time and support to deliver their VETiS program. When they say time and support, you appreciate that in schools teachers are entitled to what is called release time or planning and preparation time. 64 per cent felt that their school did its best but that their workload as teachers was excessive, and 77 per cent nominated more release—that is planning and preparation time—as the single most important change that they would like to make to their current level of support.⁷¹

⁶⁹ Mr Patrick Lim, Senior Research Officer, National Centre for Vocational Education and Research, *Transcript of Evidence*, 03 September 2014, p. 70.

⁷⁰ Mr Garrett Purtill, Industrial Officer, Australian Education Union, ACT Branch, *Transcript of Evidence*, 15 October 2014, p. 152.

⁷¹ Mr Garrett Purtill, Industrial Officer, Australian Education Union, ACT Branch, *Transcript of Evidence*, 15 October 2014, p. 153.

- 4.18 The Committee notes that the ACT Government has recently introduced mechanisms to improve the delivery and monitoring of vocational education and training in schools. The ACT Government advised the Committee during evidence of the following improvements to vocational education and training in schools:
- As the requirements around being an RTO become more rigorous, and so do the standards of training, the Minister for Education and Training, Ms Joy Burch, has requested ETD to review whether each college, individually needs to be an RTO or whether there is a way of having an umbrella approach, to take a bit of unnecessary red tape out of schools;⁷²
 - A consortium of eight members, with expertise ranging from finance and resource management through to training has been created to examine the RTO requirements in schools. It is an opportunity that the Minister for Education and Training has initiated, acknowledging some of the complexities for nine senior secondary schools that are maintaining RTO status. The consortium will look not only at that but also every aspect of VETIS, from delivery to management; and ⁷³
 - ETD has initiated a longitudinal study for school leavers, to not just see where they are immediately after they finish school but to do a longitudinal study over at least two years to see where the students end up, in what form of employment. This study will ensure ETD is minimising part-time, casual employment or no employment, and to make sure ETD is maximising employment opportunities with substantive training and qualification opportunities as well.⁷⁴

Recommendation 2

- 4.19 The Committee recommends that the Minister for Education and Training provide a report to the Legislative Assembly, during the May 2016 sitting week, on the progress of the Education and Training Directorate's review of Vocational Education and Training in Schools, Registered Training Organisation requirements for schools and the longitudinal study of school leavers.**

QUALITY ASSURANCE

- 4.20 Throughout the Inquiry, quality assurance has been a recurring concern in relation to the delivery of VET through RTOs. The multiple avenues of attaining VET qualifications are viewed as one of the major challenges confronting the Australian VET system.

⁷² Ms Joy Burch MLA, Minister for Education and Training, *Transcript of Evidence*, 08 April 2015, p. 223.

⁷³ Dr Kaaren Blom, Acting Director, Learning and Teaching, Education and Training Directorate, *Transcript of Evidence*, 08 April 2015, p. 224.

⁷⁴ Ms Diane Joseph, Director-General, Education and Training Directorate, *Transcript of Evidence*, 08 April 2015, p. 225.

In addition, the introduction of VET FEE-HELP has catapulted this challenge to a national concern as RTOs accessing Commonwealth and State/Territory public funding has increased at a rapid rate, resulting in concerns of exploitation of venerable persons.

- 4.21 In the ACT, VET FEE-HELP has been introduced on a trial basis in an effort to ensure no individual is exploited. However, during consultation it became apparent that there still remains a consistency concern with the delivery of VET courses amongst private RTOs. The Committee recognises quality assurance as one of the leading factors preventing VET from being considered a valuable tertiary education choice.
- 4.22 After hearing from a number of witnesses, the Committee believes that consistency issues amongst private providers and a lack of quality assurance greatly impacts the effectiveness of VET as a tertiary institution. The large variations in content delivered amongst RTOs is of great concern and poses immense risk to industries that employ individuals who do not have the skills that would be expected of someone who had completed a particular qualification.
- 4.23 On a national scale, the quality of training in the private sector has been a constant point of public debate and media reporting. The Deputy Federal Secretary and Federal TAFE Secretary, AEU, reiterated this concern when providing evidence to the Committee:

In Victoria and across the country—in particular in areas like aged care and early childhood—a lot of the employers have raised concerns around the quality of training which has been going on in the private sector, to the extent that they have argued that they will only take students who have been through a TAFE system, because the quality is so variable in the private sector.⁷⁵

- 4.24 During the course of the Inquiry, the Committee had the opportunity to hear from a range of witnesses, where the effectiveness of RTO delivered training programs was raised, along with quality assurance concerns. The following case studies describe training programs, within the private sector, that were raised during evidence provided.

CASE STUDY 1: CONSTRUCTION INDUSTRY

- 4.25 During the course of the Inquiry, it was noted by a number of witnesses that there are consistency issues in the delivery of construction training packages amongst private providers. The President of the Construction, Forestry, Mining and Energy Union, ACT Branch, provided evidence about the inconsistent level of training provided from different RTOs:

⁷⁵ Ms Pat Forward, Deputy Federal Secretary and Federal TAFE Secretary, Australian Education Union, *Transcript of Evidence*, 01 April 2015, p. 183.

We invested a significant amount of money in our training centre. We have got our own materials and hoist. We have got our own crane up there and so on. But when you are delivering to the standards we believe you need to deliver to, all of a sudden people are going: "I can go and do this for four hours over there. Why shouldn't I go over?" What ended up happening in that particular case was that the subcontractor came back and said, "This particular individual now cannot base out a scaffold." We tried to indicate that there are no short cuts in high-risk licences.⁷⁶

- 4.26 The ACT Work Safety Commissioner reaffirmed Construction, Forestry, Mining and Energy Union's statement when he advised the Committee:

What I am seeing there is a similar issue to what I saw in high risk work licensing—that is, a statement of attainment from an RTO is not a guarantee that a person has the competence to do the task that we are asking them to do when we give them a licence. Let me explain that a little bit further. In the vast majority of cases it is. Most RTOs do a good job and when they issue a statement of attainment that a person has been trained in a particular area, you can have confidence in that. But you cannot have 100 per cent confidence. There are people that slip through that net, probably for a variety of reasons, they get a statement of attainment from a legally appointed RTO and you wonder how they got that qualification.⁷⁷

- 4.27 When asked where in the training process inconsistencies occur, the ACT Work Safety Commissioner highlighted the assessment stage as one of the main drivers of concern:

If I really think it through, I suspect the problem is in the assessment of people coming out of that process. Industries, as you say, contribute and they often are the ones who develop the industry standards that are applied through those training programs. Yet somehow a small number of people are slipping through that system without the competence. Somehow they are getting through that assessment process, and you wonder how that is. One side of me says that it is a competitive industry and ultimately an RTO is set up to make money. I wonder whether they have the right motivation sometimes about scrutinising people who maybe do not have the competence to get through.⁷⁸

- 4.28 As a result of rising quality assurance concerns in the high risk work industry of construction, the ACT Work Safety Commissioner has recommended the inclusion of an additional test over and above the Statement of Attainment. In his role as Executive Director, Construction and Workplace Protection, the ACT Work Safety Commissioner has advised the Committee that he and Access Canberra are examining the licences assessed by Access Canberra and determining

⁷⁶ Mr Jason Jennings, President, Construction, Forestry, Mining and Energy Union, ACT Branch, *Transcript of Evidence*, 15 October 2014, p. 144.

⁷⁷ Mr Mark McCabe, ACT Work Safety Commissioner, WorkSafe ACT, *Transcript of Evidence*, 26 August 2015, pp. 256-257.

⁷⁸ Mr Mark McCabe, ACT Work Safety Commissioner, WorkSafe ACT, *Transcript of Evidence*, 26 August 2015, p. 263.

which qualifications will be included in initial testing. Furthermore, the Commissioner recommended a phased approach, where qualifications which include high risk work will be the first industry to participate in the extra assessment. If successful, lower risk qualifications will be included in the additional assessment.⁷⁹

- 4.29 As training and assessment increasingly shifts to online participation, the Committee supports recommendations to include a final assessment before licensing. The inclusion of this final assessment will not only identify persons who may have been awarded a Statement of Attainment without demonstrating industry knowledge but also, reduce the risk of persons completing training online for another person.

Recommendation 3

4.30 The Committee recommends that

A) The ACT Government include an additional assessment to be provided by the ACT Government prior to the authorisation of high risk licences as part of a phased implementation; and

B) The inclusion of an additional assessment is reviewed 12 months after its introduction with a view of including this process for lower risk qualifications.

CASE STUDY 2: CHILDCARE INDUSTRY

- 4.31 The National Quality Framework for early childhood education and care is a national approach to the regulation and quality assessment of education and care services. It aims to improve quality and drive continuous quality improvement through national legislation, quality standards, learning frameworks and a new rating system. Education and care services that are part of the National Quality Framework are required to comply with the *Education and Care Services National Law (ACT) Act 2011*, including requirements in the areas of staffing qualifications.⁸⁰

- 4.32 To ensure staffing qualifications are being met in the ACT, Australian Skills Quality Authority (ASQA), the national VET regulator, recently reviewed early childhood education and training along with equine training and security training. Of the three strategic reviews, ASQA advised

⁷⁹ Mr Mark McCabe, ACT Work Safety Commissioner, WorkSafe ACT, *Transcript of Evidence*, 26 August 2015, pp. 256-258.

⁸⁰ ACT Government, Education and Training Directorate, *Legislation and Regulation*, http://www.det.act.gov.au/childrens_policy_and_regulation/legislation

the Committee that significant training concerns were raised in relation to early childhood education and care training:

Through our conduct of these reviews, which go a bit further than audits in terms of engaging with industry, speaking to employers and students and that sort of thing, we have found some common quality issues across the system. One of those is assessment. In particular, the childcare review has identified that assessment was generally not valid and reliable. The workplace assessment which was prescribed in the training package had not been occurring. The other significant finding across all of those reviews, I have to say, and in this one, is that the training programs that are being offered are far too short for an individual to gain the skills and competencies they require in order to be issued with the qualification.

We are very concerned, and we have informed the Department and the Minister about those concerns, about the way in which the market appears to be driving courses into shorter and shorter durations. We believe, and in fact have recommended, that there needs to be a benchmark. We know it is a competency-based system, but within that competency-based system we believe there should be some benchmarks about the duration of training for, let us say, a newcomer coming into a particular occupation. How much training do they need? We have seen some horror cases of very short training being offered.⁸¹

- 4.33 Although the ASQA strategic review did not identify any training concerns in the ACT, witnesses who work in the early childhood education and care industry advised the Committee that there are quality assurance concerns that need to be addressed. United Voice, ACT Branch informed the Committee that their organisation had dealt with students who were not receiving appropriate training:

In summary, I want to particularly highlight that these workers were not necessarily even given workbooks or any supervision. Sometimes they were advised to chase up, through the registered training organisation, a website that no longer existed. So their experiences were particularly bad. But what you also need to know is that even with this outrageous situation they were all signed off as having the Certificate III.⁸²

- 4.34 It was further explained that once the students had received their Certificate III, their employment was terminated. United Voice believed that this particular employer terminated employment after the attainment of Certificate III so that they could employ persons without qualifications and therefore paying them lower traineeship wages.⁸³

⁸¹ Dr Dianne Orr, Deputy Chief Commissioner, Compliance, Australian Skills Quality Authority, *Transcript of Evidence*, 26 August 2015, p. 250.

⁸² Ms Lyndal Ryan, Secretary, United Voice, ACT Branch, *Transcript of Evidence*, 08 April 2015, p. 199.

⁸³ Ms Lyndal Ryan, Secretary, United Voice, ACT Branch, *Transcript of Evidence*, 08 April 2015, p. 199.

- 4.35 The Executive Director of Children’s Services, Northside Community Service, reaffirmed consistency issues raised by witnesses:

... my experience has been that there is a very large variance in the content that is delivered, say, particularly for the Certificate III and the Diploma qualifications. Dependent on the training organisation that is actually providing it, there seems to be a very broad range of content, which, from a practice perspective, is really concerning and slightly alarming. Even though someone might have been granted their certificate or have been signed off, often they do not come with the knowledge or the skill that I would expect of someone who has that particular qualification. It generally tends to be dependent on where they have done their training.

It is also interesting... that the mode of delivery of the qualification also varies greatly, depending on the training organisation. Even though they might say, “Yes, we will have a trainer and assessor come out, once a month,” my experience has been that that does not consistently happen. And then what it does is place extreme pressure on an overly stretched workforce as it is, because then it becomes the responsibility of the centre director or the teams in the classrooms to sign off on things or go over course content with the students at the time. The only other contribution that I would like to make is that the actual content or the rigour around what is being delivered varies greatly, which I think is a concern for our sector.⁸⁴

- 4.36 The Committee acknowledges that the legal aspects presented by United Voice and Northside Community Service were, at the time, before court and as such, acknowledges that ACT Courts and Tribunals process will continue to a resolution of these matters.
- 4.37 In relation to the substantive matters relating to the Inquiry, the Committee recognises and welcomes ASQA’s recommendations of increased scrutiny of childcare training providers and the introduction of a benchmark for the time over which competency must be developed.

⁸⁴ Ms Anna Whitty, Executive Director, Children’s Services, Northside Community Service, *Transcript of Evidence*, 08 April 2015, p. 200.

5 THE ROLE PLAYED BY THE CANBERRA INSTITUTE OF TECHNOLOGY

INTRODUCTION

- 5.1 CIT is a Territory Authority established under the *Canberra Institute of Technology Act 1987*. It is a publicly owned TAFE institute, providing VET to the ACT and surrounding regions. CIT is the largest RTO in the ACT.⁸⁵
- 5.2 In 2011, employers who chose CIT as the training provider to their apprentices and trainees had higher levels of satisfaction with the quality of training (87.5%) than employers who chose private providers (72.6%).⁸⁶
- 5.3 In November 2014, the Legislative Assembly for the ACT approved a set of amendments to the *Canberra Institute of Technology Act 1987*. These amendments made to the Act have been in effect since 1 July 2015.⁸⁷
- 5.4 The Explanatory Statement noted that the aim of the amendments is to create a more agile CIT, who is able to effectively respond to rapidly changing circumstances, including financial circumstances, in the vocational education and training and higher education market.⁸⁸
- 5.5 The Committee received considerable feedback and detailed submissions on significant issues and concerns with the administration of CIT. Submissions addressed concerns with the management of the Electrotechnology training package and influx of electrical apprentices due to the closure of Electrotech Skills Centre. Additionally, systematic and cultural issues at CIT were highlighted during the Committee's Inquiry.

CIT ELECTROTECHNOLOGY DEPARTMENT

- 5.6 With regards to CIT, concerns raised in submissions focused on the management and administration of the UEE11 Electrotechnology package. The central issue identified in
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⁸⁵ Canberra Institute of Technology, *2014 Annual Report*, 2014, http://cit.edu.au/_data/assets/pdf_file/0018/57141/CIT_2014_Annual_Report.pdf

⁸⁶ ACT Government, *Submission 1*, p. 35.

⁸⁷ ACT Legislative Assembly, *Canberra Institute of Technology Amendment Bill 2014: Explanatory Statement*, 2014, http://www.legislation.act.gov.au/es/db_50770/20141030-59377/pdf/db_50770.pdf

⁸⁸ ACT Legislative Assembly, *Canberra Institute of Technology Amendment Bill 2014: Explanatory Statement*, 2014, http://www.legislation.act.gov.au/es/db_50770/20141030-59377/pdf/db_50770.pdf

submissions was CITs handling of approximately 300 electrical apprentices that were transferred from the Electrotech Skills Centre.

- 5.7 In 2013, the Electrotech Skills Centre⁸⁹ ceased operation as result of a compliance review by ASQA. During evidence provided, a CIT Trainer and Assessor informed the Committee of the circumstances that led to the closure of the Electrotech Skills Centre:

The Electroskills campus was audited by ASQA and found to be noncompliant, deficient, in a lot of respects, in that they did not deliver correctly and compliantly the proper materials. They were delivering what was called the LSEs, which is a learning specification derived from the 06 package, which is two packages back for the 11 package that we are supposed to be delivering now, and they were not adhering to the practical assessment requirements and the learning specification, only the theory component. It was found that even within those learning specifications, if you had two teachers teaching the same LSE in the one week, they were delivering inconsistently. So you had a situation where if you came in on Monday you were being taught differently to what you were being taught on a Friday. Those gaps were identified. ASQA put out a very extensive report and, as a result, Electroskills closed their doors, and those apprentices were transferred to CIT.⁹⁰

- 5.8 Throughout the Inquiry, the Committee was informed of a number of compliance issues with regards to CIT's management of the Electrotech Skills Centre apprentices, as well as the CIT Electrotechnology Department's approach to management and communication.
- 5.9 Training complaints received by the National Electrical and Communications Association (NECA) included: the lowering of standards, presumably in order to push more apprentices through the system and thus gain funding, frequent changes to the curriculum without explanation, and the transitioning of all students to a new academic package, including students who were part-way through their studies.⁹¹
- 5.10 The Executive Officer, ACT Electrotechnology and Energy Advisory Board (the Board) identified additional concerns in relation to the training of Electrotechnology students at CIT. The Committee heard that the Board had made numerous requests for mapping documents but reported that CIT had yet to provide such documents. Mapping documents are a mechanism to identify compliance issues. Furthermore, the board had offered to broker and "E-Oz Pink Slip Audit" which would provide the opportunity for an appropriately qualified third party to

⁸⁹ Note – Electrotech Skills Centre and Electroskills campus are references to the same organisation.

⁹⁰ Mr Ian Dunstan, Trainer and Assessor, Canberra Institute of Technology, *Transcript of Evidence*, 01 April 2015, p. 164.

⁹¹ National Electrical and Communications Association, *Submission 17*, p. 3.

examine, and give the College feedback on selected elements of the Electrotechnology training.⁹²

5.11 Similar concerns were demonstrated in Mr Ian Dunstan's submission. Mr Dunstan advised the Committee that he was employed by CIT to assess 'Gap Training' for apprentices, predominately inherited from the Electotech Skill Centre. Mr Dunstan added that he was employed by CIT to urgently assess apprentices that had been wrongly allowed to Capstone in late 2013, to establish deficiencies from their transcripts.⁹³

5.12 During evidence provided to the Committee, Deputy Chief Executive, CIT, responded to Mr Dunstan's training concerns:

The employers, the regulator and the industry representatives viewed that the apprentices could go through into Capstone training and undertake that Capstone assessment while documentation was being brought together so that the apprentices were not disadvantaged at the time. As I mentioned earlier, there was quite an imperative to meet the students' and the employers' needs in a timely way. At some stage there was some dissatisfaction with the time being taken, so the Capstone panel that is made up of the regulator, industry, and CIT staff deemed that it was appropriate for them to undertake the training, which takes several weeks, and during that time the records were brought together.⁹⁴

5.13 Further evidence from the CIT Trainer and Assessor identified the potential risks to the community as a result of inefficient Electrotechnology training:

If you have not provided sufficient training against all the units of competence – and the one I think I have given you is the G107A, which specifically deals with the selection of cables, the running of the right sized cable to the right job – then if you have put them out in the workplace without providing considerable training on that unit of competence, they choose an undersized cable which, without creating panic, could lead to a fire. It is as serious as that. We are a high risk industry.⁹⁵

5.14 In response to concern for the community, in relation to inefficient training, the ACT Work Safety Commissioner noted:

In the area that I manage within Access Canberra, we have an electrical inspectorate who goes out and does inspections of all new electrical installations before they are connected to the system and a percentage of modifications or amendments or alterations to existing systems. We have pretty consistently over the last four years or

⁹² ACT Electrotechnology and Energy Advisory Board, *Submission 15*, p. 3.

⁹³ Mr Ian Dunstan, CIT Trainer and Assessor, *Transcript of Evidence*, 01 April 2015, p. 167.

⁹⁴ Ms Carolyn Grayson, Deputy Chief Executive CIT, *Transcript of Evidence*, 08 April 2015, p. 221.

⁹⁵ Mr Ian Dunstan, CIT Trainer and Assessor, *Transcript of Evidence*, 01 April 2015, p. 171.

so had about four per cent failure rate that we have detected in those inspections, which I regard as relatively low... we do about 17,000 inspections per year.⁹⁶

- 5.15 Communication and management complaints received by the NECA included; the lack of notification provided to employers of changes to the subject timetable, the lack of notification provided to employers of when individual apprentices are required to attend class, and not providing information to employers as to whether apprentices have subjects outstanding prior to apprentices applying to sit their Capstone exam.⁹⁷
- 5.16 Concerns raised in the NECA submission could be a direct result of the absence of a person in the Electrotechnology Department management team with appropriate industry experience and Electrotechnology training package implementation experience at a senior level.
- 5.17 Evidence from the Board identified concerns with CIT's executive selection processes. The Board noted that within a period of nine months CIT went through a process of approximately three heads of departments. This raised concerns with the Board about whether there was an issue that had caused multiple departures in such a short period of time, which the Board had not been advised of.⁹⁸
- 5.18 Evidence provided by the CIT Trainer and Assessor reiterates concerns with the disconnect between the Electrotechnology Department and appropriate industry experience:

At the moment if you look at the executive level within CIT, even if you go to the head of the department level within Electrotechnology, from that position upwards the people that are sitting in those positions have not got the experience in our industry. As a result, they do not understand our industry and most of their decisions are based on revenue raising.⁹⁹

- 5.19 The Minister for Education and Training responded to concerns raised in relation to the administration of Electrotechnology training at CIT:

What I accept is that we have CIT delivering accredited training – and it is a well-regarded, recognised RTO.

Following Capstone assessment, they are assessed by industry, by regulators, to meet the requirements to go on and be licensed. So in plumbing and electrics, you go through your certification, you go through your training and then there is still time

⁹⁶ Mr Mark McCabe, ACT Work Safety Commissioner, *Transcript of Evidence*, 26 August 2015, p. 261.

⁹⁷ National Electrical and Communications Association, *Submission 17*, p. 3.

⁹⁸ Mr Ross Heazlewood, Executive Officer, ACT Electrotechnology and Energy Advisory Board, *Transcript of Evidence*, 26 August 2015, p. 237.

⁹⁹ Mr Ian Dunstan, CIT Trainer and Assessor, *Transcript of Evidence*, 01 April 2015, p. 169.

before you are licensed to operate independently. And at no point has ACTPLA, the regulator, raised any concern.¹⁰⁰

- 5.20 Evidence provided to the Committee for their Inquiry into Annual and Financial Reports 2014-15 noted that ASQA will be conducting an audit of the electrical faculties at CIT:

We have had a number of discussions with the electrical faculty, certainly with the EOS national board and the local electrical advisory board as well, around some concerns that they had with the quality of or, probably, some of the hearsay around some of their courses. As a result of those meetings we instigated our own independent assessment of those courses and brought independent assessors down from Queensland to actually go through our courses just to make sure that if we had issues that we needed to address we knew about them early and decided to get on with that, which is what we did.

Subsequent to that ASQA—correct me if I am wrong here please—did not receive any formal complaint from any party but thought that they would come and undertake an assessment of part of our courses as well, which they are doing this Thursday. We will have 20 days to respond to those findings. So we should be responding this side of Christmas.¹⁰¹

Recommendation 4

- 5.21 The Committee recommends the Minister for Education and Training table the Australian Skills Quality Authority's report in relation to the audit of the Electrotechnology Department at the Canberra Institute of Technology in the Legislative Assembly immediately upon its receipt by the Minister.**
- 5.22 The Committee makes a further comment arising from Recommendation 4. The Committee remains concerned that neither the report of the ASQA audit of the Electrotechnology course at CIT, nor the CIT response to that ASQA audit report, are available at the time of presentation of this report. The Committee intends pursuing this matter in future as part of this inquiry. As the Committee has not seen the ASQA audit report, or the CIT response to it, it is acknowledged that this report from the Committee must be an interim report in respect of this matter.

¹⁰⁰ Ms Joy Burch, Minister for Education and Training, *Transcript of Evidence*, 08 April 2014, p. 217.

¹⁰¹ Mr Craig Sloan, Board Chair, Canberra Institute of Technology, *Transcript of Evidence*, 23 November 2015, p. 100.

Recommendation 5

- 5.23 The Committee recommends that, in its response to the ASQA audit report, the Canberra Institute of Technology identify procedures it has taken to ensure all Electrotechnology apprentices who completed their Capstone have become appropriately qualified after being transferred from the Electrotech Skills Centre to the Canberra Institute of Technology. Furthermore, the Canberra Institute of Technology should provide this information to this Committee by 31 May 2016.**

SYSTEMIC AND CULTURAL ISSUES

- 5.24 In 2012 the ACT Work Safety Commissioner completed an investigation into workplace bullying at CIT. The investigation was conducted in response to representation made to WorkSafe ACT by several CIT staff about CIT policies and procedures for handling bullying and harassment complaints.
- 5.25 The investigation considered a range of material including policies and procedures in place relevant to the prevention and management of bullying at work and the handling of complaints from staff. The Report from the investigation included the following findings:
- CIT failed to meet its duty under Section 21 of the *Work Safety Act 2008* (and *Work Health and Safety Act 2011* which has replaced the *Work Safety Act 2008*) in respect of its response to allegations of bullying and harassment it received;
 - CIT failed to appropriately examine the allegations and could not assure that it had taken all the reasonable practicable steps the *Work Safety Act 2008* requires it to take to identify and then either eliminate or minimise any associated risks to the health and safety of its workers; and
 - WorkSafe ACT's investigation indicated that while procedures and policies had been developed by the CIT to deal with complaints, these procedures were deficient and not necessarily working as intended across CIT and they were not perceived by a number of staff to be sufficiently objective or independent.¹⁰²
- 5.26 In a submission to the Committee, the Australian Vocational Training Academy (AVTA) provided a number of examples where they believed they were victims of bullying during their interactions with CIT. AVTA advised that during the last half of 2014, AVTA acquired 30 apprentices from CIT on route from a failed union provider. Each apprentice had tabled

¹⁰² ACT Government, *Investigation into Compliance by the CIT with its Duties Under the Work Safety Act 2008 and the Work Health and Safety Act 2011 in Response to Allegations of Bullying at CIT*, ACT Work Safety Commissioner, 2012, <<http://www.worksafe.act.gov.au/news/view/1312/title/investigation-into-bullying-at-theCanberraInstituteofTechnology>>

extensive dissatisfaction and exclusion from their current apprenticeship contract (CIT) and previous training contract (failed union provider). During this six month period AVTA experienced:

- eviction from their commercial space owned by CIT under a no competition clause;
- had an unsuccessful funding application with the ACT Education and Training Directorate with advice that other organisations rated more higher, CIT was the successful recipient;
- adoption to a new contractual obligation which requires AVTA to provide written advice to CIT if an apprentice wants to leave their organisation and CIT are given a timeframe to rectify the apprentice situation. AVTA is the only RTO with such a contractual agreement; and
- violation of Commercial in Confidence information that was to be sent and read by ETD but the email address provided was a CIT server/email address.¹⁰³

5.27 In evidence provided to the Committee the Minister for Education and Training advised the Committee:

...there were some allegations of systemic bullying within CIT over a number of years. We have spent considerable time and effort on that. The ACT Public Service Commissioner had an independent review and investigation of that... it found no systemic issues of bullying and went on to say that the learning that CIT had from that, the process it put in place, was actually services leading.¹⁰⁴

5.28 The Committee also noted that CIT has integrated significant changes to the way it manages workplace issues, with a greater focus on early intervention and providing guidance to staff when managing issues that arise in the workplace, including the introduction of the Respect, Equity and Diversity Framework.¹⁰⁵

Recommendation 6

5.29 The Committee recommends that in future Annual and Financial Reports the Canberra Institute of Technology include updates on activities and initiatives set out by the Canberra Institute of Technology under the Respect, Equity and Diversity Framework.

¹⁰³ Australian Vocational Training Academy, *Submission 12*, p. 6.

¹⁰⁴ Ms Joy Burch MLA, Minister for Education and Training, *Transcript of Evidence*, 08 April 2015, p. 208.

¹⁰⁵ Canberra Institute of Technology, *Annual Report 2014*, pp. 43-44,
<http://cit.edu.au/data/assets/pdf_file/0018/57141/CIT_2014_Annual_Report.pdf>

6 THE ROLE OF REGISTERED TRAINING ORGANISATIONS

INTRODUCTION

- 6.1 VET is offered by RTOs in the TAFE system, through private and community training providers and in high schools and colleges. RTOs are training providers registered by ASQA to deliver VET services. There are approximately 5000 RTOs registered with ASQA. Of those 5000, 123 RTOs are registered in the ACT.
- 6.2 Only RTOs can deliver nationally recognised qualifications and issue Australian Qualification Framework Qualifications and Statements of Attainment in the VET sector. RTOs must meet the requirements for registration including the requirements of the VET Quality Framework, which are a set of standards and conditions ASQA uses to assess whether an RTO meets the requirements of registration.¹⁰⁶
- 6.3 During July 2011 to September 2013 period, ASQA audited 91 ACT RTOs which led to eight decisions to refuse applications from ACT RTOs.
- 6.4 Submissions and discussions with witnesses examined ASQA's role and responsibility in regulating RTOs, ETD's role and responsibility in regulating RTOs that are accessing public funding, as well as implementation and management of private RTOs.

ASQA: ROLES AND RESPONSIBILITIES

- 6.5 As the national regulator for the VET sector, ASQA seeks to ensure that the sector's quality is maintained through the effective regulation of VET providers, accredited VET courses, and the Commonwealth Register of Institutions and Courses for Overseas Students providers including those delivering English Language Intensive Courses to Overseas Students.
- 6.6 In evidence provided, Deputy Chief Commissioner and Commissioner, Compliance, ASQA advised the Committee of the Agency's background and responsibilities:

¹⁰⁶ ACT Government, *Submission 1*, p. 60.

ASQA came into being back in July 2011 and was created as a national regulator for providers of vocational education and training at that time under the national VET regulator act of 2011. ASQA's functions are stated in that act and guide our functions and our regulatory activities as a national regulator. We have offices in every capital city of Australia. As I said, we regulate training organisations and accredit courses where there are no national training package qualifications in a particular industry area.

ASQA regulates some 3,920 RTOs, registered training organisations, nationally and some 124 here in the Australian Capital Territory. We have a staff of 197, and we have approximately 60 full-time equivalent auditors working on staff. And we also use a panel of contracted auditors to conduct our audits of registered training organisations.¹⁰⁷

6.7 In terms of how ASQA regulates RTOs, ASQA applies a risk-based approach to regulation that has a number of criteria used to calculate the risk rating for regulated RTOs. ASQA's risk-based approach encompasses:

- ASQA primarily focusing its efforts on assessing, and where necessary responding to, risks that may arise if a learner is judged competent without possessing the necessary skills and knowledge;
- ASQA-regulated providers are assigned a risk rating as an indicator of the level of risk they present, based on known data and regulatory history. A rating informs ASQA about how much regulatory scrutiny it needs to commit to the provider;
- ASQA also applies a risk based approach when responding to complaints about providers; and
- ASQA assesses risks to the vocational education and training system as a whole and mitigates heightened risk exposures through targeted and effective actions.¹⁰⁸

6.8 Risk based analysis is evaluated against the training package blueprint which sets out what is required, what a competent person in that industry is, what the assessment criteria or the performance criteria is, the sorts of resources that would be expected to be used in delivery and the modes of delivery. When an RTO is audited, ASQA is auditing the RTO against the standards stipulated in the applicable training package.

¹⁰⁷ Dr Dianne Orr, Deputy Chief Commissioner and Commissioner, Compliance, Australian Skills Quality Authority, *Transcript of Evidence*, 27 August 2014, p. 53.

¹⁰⁸ Australian Government, Australian Skills Quality Authority, *Risk Based Regulation*, <http://www.asqa.gov.au/about/risk-based-regulation/risk-based-regulation.html>

- 6.9 To ensure compliance, ASQA performs regular audits to ensure RTOs are adhering to the guidelines presented in the training package blueprint. The Committee was advised of the procedure and protocol applied to audits initiated by ASQA:

First of all, when we receive an application from an initial entrant to become a registered training organisation, we always conduct an audit at that point. And we always do what we call a post-initial audit at 12 months to test what they are doing, the implementation, because they have not got any assessments conducted initially that we can look at. So in terms of frequency, they are really the only two that are scheduled. The rest of our audits fall under the banner of being conducted as required, determined by the risk. It may be that with a provider who has been registered for five years and who applies for their renewal audit, our risk assessors will have a look at the history of complaints, issues and the sorts of qualifications they are delivering, and make a decision to approve it there and then because they are a low-risk provider and there do not seem to be any issues that would cause us to want to go and have a look at them.¹⁰⁹

- 6.10 In addition to the mandated audits, under the *National Vocational Education and Training Regulator Act 2011*, ASQA has the authority to initiate an audit and apply a number of administrative sanctions if the RTO is found non compliant. During submission of evidence, Deputy Chief Commissioner and Commissioner, Compliance advised the Committee of additional auditing and authorisation powers of ASQA:

We have a number of what are called administrative sanctions under the Act that we can apply. The process is that an audit will be conducted to identify whether or not the provider is compliant with the standards for NVR registered training organisations. An audit report is prepared. That goes back to the provider, and they have 20 days in which to rectify those non-compliances or demonstrate that those non-compliances have been rectified. If, after that rectification period, they are unable to demonstrate compliance, we escalate the matter to the next level. The point I am trying to make is that the registered training organisation is given the opportunity to rectify those. Where they cannot, a report goes through to a commissioner. As the compliance commissioner I look at all of those contentious decisions arising from audit that may require the application of a sanction.

As you rightly identify, there are different non-compliances—minor, major, significant, some are critical. So a judgment is made about a proportionate sanction that should be applied in terms of the significance of the non-compliance. We have at one end of the sanctions spectrum the capacity to issue a written direction to the registered training organisation to fix something. Then we can suspend all or part of their scope of

¹⁰⁹ Dr Dianne Orr, Deputy Chief Commissioner and Commissioner, Compliance, Australian Skills Quality Authority, *Transcript of Evidence*, 27 August 2014, p. 61.

registration. A suspension means they can continue delivering to the existing students but they are not allowed to advertise or enrol any more students. The more severe sanction, of course, is cancellation.¹¹⁰

- 6.11 In addition to audit and sanctioning powers, ASQA has the authority to action strategic reviews which identify system wide risks:

Another part of our risk model, of course, is looking at the risks system wide, where there might be particular hot spots where the regulator may need to intervene and take a look. To that extent, we are analysing what is happening in the environment for VET nationally to isolate some of those risks. As well as conducting compliance audits of RTOs, we have the power under our act to do strategic reviews or reviews into what are systemic issues for the vocational education and training sector.

Last year we embarked upon our first three strategic reviews. One was in the aged care training area. One was the white card for the construction industry, which is the safety ticket, if you like, that people need to go on site at a construction site. And we also did a review of marketing by RTOs, taking a sample of ads that had been placed on the internet as a methodology, to have a look at what RTOs are doing in the marketing area. These three strategic reviews are evidence of ASQA's analysis of risks in the system.¹¹¹

- 6.12 Although ASQA has multiple avenues to regulate and ensure consistent compliance, concerns were raised, during the course of the Inquiry, with the magnitude of ASQA's responsibilities. Deputy Federal Secretary and Federal TAFE Secretary, AEU depicted these concerns when she compared the responsibilities of the national higher education regulator with the responsibilities of ASQA, the national VET regulator:

In the higher education sector you have 40 or so universities. You have about 100 higher education providers. That is what TEQSA has to deal with. In the VET sector you have got 5,000. That is a massive number of RTOs. It does not really matter, as you know, whether they are delivering two or three courses or 100 courses. They still are going to need to be regulated.

I think there is a real question about the capacity of the regulator in a relatively immature state to scrutinise the sector in the way that it needs to be scrutinised, particularly at a point when it is so young and where the market settings have changed so rapidly, and with the sorts of practices that are going on. You could not have imagined them, or perhaps you could have, but they are things that are new.

¹¹⁰ Dr Dianne Orr, Deputy Chief Commissioner and Commissioner, Compliance, Australian Skills Quality Authority, *Transcript of Evidence*, 27 August 2014, p. 56.

¹¹¹ Dr Dianne Orr, Deputy Chief Commissioner and Commissioner, Compliance, Australian Skills Quality Authority, *Transcript of Evidence*, 27 August 2014, pp. 53-54.

The minute you introduce profit as their primary purpose for being there, they are servants of their shareholders and of their owners rather than of students. I think that introduces a perverse incentive into the equation, which means that the job of the regulator is always going to be extraordinarily difficult.¹¹²

ACT GOVERNMENT: ROLES AND RESPONSIBILITIES

6.13 As part of the ACT Government's commitment to deliver a high quality VET sector, the ACT Government has implemented strengthened quality criteria for RTOs to access to public subsidy funding.¹¹³

6.14 Since 1 January 2013, the ACT Funding Agreement (ACTFA) is the contractual arrangement between the ACT Government and RTOs to deliver programs to address the major objectives of the VET system in the ACT. The ACTFA contains new quality requirements that RTOs – seeking to access government funded training initiatives offered by ETD – must meet.¹¹⁴

6.15 The Director of Training and Tertiary Education, ETD advised the Committee of the number of RTOs currently accessing ACTFA:

There are a total of 160 registered training organisations in the ACT that currently have an ACT funding agreement. The figures vary. Only about half of those are generally accessing government-subsidised training at any point in time. A lot of those are RTOs that might be based in other jurisdictions but have sought to have the possibility to then deliver government-subsidised training in the ACT if they choose to do so in future. I think there are just under 100 RTOs delivering government-subsidised training in the ACT.¹¹⁵

6.16 Once an RTO participates in an ACTFA it is eligible to apply for funded programs, however, holding an ACTFA requires the RTO to comply with standards set by the ACT Government. Such standards include:

For access to government-subsidised programs we have a structure set up, or a contracting arrangement with RTOs, to deliver government-subsidised training. Private RTOs, as well as the CIT, if they choose to access our contestable training funding, go through an application process to obtain this ACT funding agreement. It is a fairly elaborate application process because we have a fairly high standard for what we want

¹¹² Ms Pat Forward, Deputy Federal Secretary and Federal TAFE Secretary, Australian Education Union, *Transcript of Evidence*, 01 April 2015, p. 185.

¹¹³ ACT Government, *Submission 1*, p.60.

¹¹⁴ ACT Government, *Submission 1*, p.60.

¹¹⁵ Mr David Miller, Director, Training and Tertiary Education, Education and Training Directorate, *Transcript of Evidence*, 08 April 2015, p. 210.

to see in RTOs who are going to be accessing a government subsidy to deliver training in the ACT.

Part of what follows from a regulatory point of view is that we have established standards and compliance guides about what we expect from RTOs in the delivery of training, particularly in terms of government-subsidised training programs.

There is also a compliance and monitoring framework that we have established which is, I guess, the audit, compliance and checking that RTOs are delivering training in accordance with the standards and the contract that they have signed up to. ASQA, as the national regulator, also do their own audits to consider the quality of training provided by registered training organisations.¹¹⁶

- 6.17 Further evidence from the Director, Training and Tertiary Education, ETD identified additional procedures and protocols RTOs must carry out to maintain Government subsidised training programs:

There are obligations that they need to meet regularly. There is an annual internal review tool that we require all RTOs to complete as part of the compliance framework. There are obviously processes and things that they have to do in order to obtain payment. In terms of the submission of appropriate documentation—as we have moved into our new system they obtain payments through the submission of files that record the training activity that has been undertaken—there are lots of rules around the sort of information that they need to provide to be able to access that funding.

From a compliance point of view, there is an internal review tool that they have to complete annually and a broader compliance framework that dictates to us or helps us set out our compliance schedule and audit schedule over a given period, based on higher risk RTOs. It might be related to complaints or issues that have been brought to our attention either through apprentices or through employers that have had concerns. That might impact on the risk rating that we maintain for RTOs and bump them higher up the priority list for an on-site audit or a desktop audit, where we would request a range of information be provided as evidence that they are adhering to the standards and all of the obligations under the contract.¹¹⁷

- 6.18 During the course of the Inquiry, the Committee was informed of a Memorandum of Understanding (MOU) between ETD and ASQA. The nature of this MOU allows the exchange of information between both parties. Additionally, the MOU incorporates a provision which allows ETD to refer matters to ASQA that may not be about the contract or the fulfilling of contractual requirements. The distinction between which party assumes responsibility for non-

¹¹⁶ Mr David Miller, Director, Training and Tertiary Education, Education and Training Directorate, *Transcript of Evidence*, 08 April 2015, pp. 209-210.

¹¹⁷ Mr David Miller, Director, Training and Tertiary Education, Education and Training Directorate, *Transcript of Evidence*, 08 April 2015, p. 212.

compliance is determined in the *National Vocational Education and Training Regulator Act 2011* and the contract between the RTO and ETD. ASQA audits RTOs against standards set in place under the Act. These standards are to be adhered to by all RTOs. Alternatively, ETD audits against the contractual requirements set out in a contract between the RTO and ETD. Such contracts are established for RTOs accessing government-subsidised training and set out the standards to that funding agreement.¹¹⁸

- 6.19 The Committee notes the Director, Training and Tertiary Education, ETD assertion that although the lines of responsibility in some cases can be blurry and have elements of crossover, 'there are some fairly clear distinctions between the two focuses for those compliance frameworks'.¹¹⁹

PRIVATE RTOs

- 6.20 CIT is the largest public provider of VET in the ACT, providing the highest number of subsidised places in the region. Each year approximately 23,000 students attend over 400 courses including certificates, traineeships, apprenticeships, diplomas and degrees. The ACT Government submission noted that 'all of these courses are nationally recognised, and offer the public opportunities to gain skills, knowledge and work experience to start, develop and change careers'.¹²⁰
- 6.21 CIT is the largest RTO in the ACT, with many private RTOs meeting niche markets by providing specific courses to industry or government. Additionally, some private RTOs do not deliver full courses, delivering units of competence instead.
- 6.22 The Acting General Manager, Policy and Research, Australian Council for Private Education and Training, discussed the impacts of having a single RTO that delivers a substantial amount of VET courses:

We represent a number of private RTOs which are businesses which, in the ACT, in a sense, compete with CIT who are an august organisation with a very strong representation and provide a very broad range of services and who are instantly recognisable in schools and in conversations. Our RTOs include small RTOs that do specialised services and actually work contracting to government or industry. Some of them operate from an office here and run internationally as well as nationally. They tend to offer services to industry in the main rather than in the recruiting of young people directly from schools. While I am thinking of works in the building sector

¹¹⁸ Mr David Miller, Director, Training and Tertiary Education, Education and Training Directorate, *Transcript of Evidence*, 08 April 2015, pp. 211-212.

¹¹⁹ Mr David Miller, Director, Training and Tertiary Education, Education and Training Directorate, *Transcript of Evidence*, 08 April 2015, p. 211.

¹²⁰ ACT Government, *Submission 1*, p.61.

basically the apprentices or students have tended to have jobs—therefore, they are employed—and the RTO contracts the work with the employer.¹²¹

- 6.23 As mentioned in previous chapters, the validity of teacher experience in the field that is being taught has been raised. When providing evidence to the Committee, the President, Construction, Forestry, Mining and Energy Union, ACT Branch, advised that they utilise persons who have worked in the industry for numerous years.

Adding to this, Mr Jennings also informed the Committee that there are mandated courses and continuous personal development that is required of each teacher.

- 6.24 Construction, Forestry, Mining and Energy Union, ACT Branch advised the Committee:

We draw them from industry. One of my senior trainers had 20 years within the industry as a scaffolder, a crane operator and a dogman. We bring them in. We have got an evolving strategic plan; I think you would call it. At the moment I am looking at other individuals now that I will bring in and probably in three years time they will be a trainer, because it takes that period of time to attract them in off the job, to come in and be a trainer, but also to go through and get their Certificate IV in Training and Assessment.

All the trainers I have do have Certificate IV in Work Health and Safety as a minimum. If you are delivering asbestos awareness training you then go into another area. There is CPD, Continuous Personal Development that I put them through each year to make sure that they are the highest quality standard for whatever they are delivering.¹²²

- 6.25 Discussion with the ACT Work Safety Commissioner, examined the concern with unregulated course costs for private RTOs, resulting in the choice of quantity over quality

... there is a culture, I believe, in the construction industry—this is a sweeping statement; it is not across the industry—of not valuing training. The construction industry like to do training when there is a legislative imperative to do it; they are not so keen if it is not legislatively demanded. That to me suggests they are not recognising training as a value-add for their business; they are just seeing it as an imperative.

Whenever you have got that scenario or that culture, they are going to go for the cheapest training they can get. This is what I believe will happen anyway. There are some good companies out there who seek out the good RTOs. There are quite a few of the small players who seek the cheapest one they can get, and that probably drives

¹²¹ Mr Alan Keith, Acting General Manager, Policy and Research, Australian Council for Private Education and Training, *Transcript of Evidence*, 03 September 2014, p. 95.

¹²² Mr Jason Jennings, President, Construction, Forestry, Mining and Energy Union, ACT Branch, *Transcript of Evidence*, 15 October 2014, p. 141.

some of the issues that you may be seeing and some of the problem areas we have in the industry.

We are doing a fair bit of work trying to lift the attitude of employers to get them to understand that training is something that can add value to your business rather than just be a cost. But that is a long road to go down, especially in what is a low margin industry and one that is probably going through difficult times at the moment having come off a boom of several years. I think that probably goes to the heart of some of the issues that are coming up before your committee. I do not have an easy answer.¹²³

¹²³ Mr Mark McCabe, ACT Work Safety Commissioner, WorkSafe ACT, *Transcript of Evidence*, 26 August 2015, p. 265.

7 VOCATIONAL EDUCATION AND TRAINING FOR THE CULTURALLY AND LINGUISTICALLY DIVERSE

INTRODUCTION

- 7.1 Between 2005 and 2010, the ACT recorded the largest growth rate in overseas migration of the States and Territories, with an increase of 88 per cent (920 persons), compared with 9 per cent at the national level. During this period, arrivals to the ACT increased by 33 per cent (1,900 persons), while departures increased by 21 per cent (1,000 persons).¹²⁴
- 7.2 However, in 2010, there were 920 fewer (-11 per cent) overseas arrivals in the ACT than in the previous year. Overseas departures continued to increase with 790 more (16 per cent) departures than in the previous year. The result was an overall decline in overseas migration of 47 per cent (-1,700 persons) from 2009, compared with the national decline of 31 per cent.¹²⁵
- 7.3 In 2009, 15-24 year old culturally and linguistically diverse people who mainly spoke English at home were more likely to be working full time and less likely to be studying full time than were those who mainly spoke a language other than English at home.¹²⁶
- 7.4 Among 15-24 year olds in 2009, the incidence of reported barriers to participation in formal learning was generally around one in five (20 per cent). The most commonly reported barriers were financial reasons, lack of time and too much work.¹²⁷
- 7.5 Submissions and discussions with witnesses examined vocational education and training options and experiences for culturally and linguistically diverse people in the ACT. Submissions addressed barriers experienced by students, as well as persons seeking employment.

¹²⁴ Australian Bureau of Statistics, *State and Territory Statistical Indicators*, cat. No 1367.0, 2012, <[http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/1367.0~2012~Feature%20Article~Trends%20in%20Net%20Overseas%20Migration:%20Australian%20Capital%20Territory%20\(Feature%20Article\)~10014](http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/1367.0~2012~Feature%20Article~Trends%20in%20Net%20Overseas%20Migration:%20Australian%20Capital%20Territory%20(Feature%20Article)~10014)>

¹²⁵ Australian Bureau of Statistics, *State and Territory Statistical Indicators*, cat. No 1367.0, 2012, <[http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/1367.0~2012~Feature%20Article~Trends%20in%20Net%20Overseas%20Migration:%20Australian%20Capital%20Territory%20\(Feature%20Article\)~10014](http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/1367.0~2012~Feature%20Article~Trends%20in%20Net%20Overseas%20Migration:%20Australian%20Capital%20Territory%20(Feature%20Article)~10014)>

¹²⁶ Australian Bureau of Statistics, *Perspectives on Education and Training: Social Inclusion*, cat. No. 4250.0.55.001, 2009, <<http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/4250.0.55.001Main+Features62009>>

¹²⁷ Australian Bureau of Statistics, *Perspectives on Education and Training: Social Inclusion*, cat. No. 4250.0.55.001, 2009, <<http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/4250.0.55.001Main+Features62009>>

EARLY INTERVENTION

- 7.6 A 2007 report published by the National Centre for Vocational Education Research (NCVER) titled *Creating learning spaces for refugees: The role of multicultural organisations in Australia* found that on arrival, majority of persons from Non-English Speaking Backgrounds (NESBs) lacked the support network to seek advice, services or assistance; they also had particular problems in addressing and communicating their needs in English. The report also found that migrants generally depend heavily on a small number of trusted and informed intermediary people or multicultural community organisations for information.¹²⁸
- 7.7 Furthermore, the report identified the most successful initiative provided by multicultural community organisations was the provision of English programs. Essentially, English classes provided a safe environment and relaxed nature which was embraced by all refugee communities consulted. Research proved that the approach of English programs, delivered through multicultural community organisations, empowered students and improved their confidence.¹²⁹
- 7.8 In their submission to the Inquiry, the Migrant and Refugee Settlement Services (MARSS) supported the conclusion reached in the NCVER report. The MARSS submission outlined the importance of multicultural community organisations in providing additional English language support to migrant students who had arrived in Australia at a high school age. It was noted that this particular age group is disadvantaged as their parents lack the English language skills and familiarity with the Australian system to assist their children in the home.¹³⁰
- 7.9 In an effort to assist as many migrant students as possible, Chief Executive Officer, MARSS, noted that MARSS had introduced a number of tutoring programs including; a home tutor program for persons aged 16 years and over that are unable to attend the MARSS centre due to travel restrictions. As a result of this, MARSS also identified a gap in education options available for eight to 15 year olds and had recently introduced one hour tutoring assistance for students at the Belconnen library.¹³¹
- 7.10 MARSS has also collaborated with St Paul's Church to provide one hour tutoring assistance for 30 students in the Belconnen area:

¹²⁸ Ms Beatriz Miralles-Lombardo, Ms Judith Miralles, Mr Barry Golding, *Creating Learning Spaces for Refugees: The Role of Multicultural Organisations in Australia*, National Centre for Vocational Education Research, April 2008, <http://www.ncver.edu.au/wps/wcm/connect/5b2403cb-993b-45fd-81da-bf59dec6a5cf/nr5I07.pdf?MOD=AJPERES&CACHEID=5b2403cb-993b-45fd-81da-bf59dec6a5cf>

¹²⁹ Ms Beatriz Miralles-Lombardo, Ms Judith Miralles, Mr Barry Golding, *Creating Learning Spaces for Refugees: The Role of Multicultural Organisations in Australia*, National Centre for Vocational Education Research, April 2008, <http://www.ncver.edu.au/wps/wcm/connect/5b2403cb-993b-45fd-81da-bf59dec6a5cf/nr5I07.pdf?MOD=AJPERES&CACHEID=5b2403cb-993b-45fd-81da-bf59dec6a5cf>

¹³⁰ Migrant and Refugee Settlement Services, *Submission 10*, 2014, p.2.

¹³¹ Migrant and Refugee Settlement Services, *Submission 10*, 2014, p.2.

...we started last year with three students, because we found there was a need based on the feedback from the young parents.

So through this church we were able to start with just one hour a week, which is continuing now, but has gone to 30 (students). This is where we have found that there is a need.¹³²

7.11 MARSS also runs a Program for After School Studies (PASS) for culturally and linguistically diverse students from 12 to 25 years. PASS provides nine hours of face to face tutoring per week.

7.12 Despite the efforts of MARSS, the Committee was advised that there were growing concerns that the assistance provided to young persons was insufficient:

The recent survey we did with the volunteers showed that the volunteers themselves have noticed that the hours of help given to these kids are not enough. They are not satisfied that it is fulfilling the requirements of these young kids. It is more like a bandaid solution rather than continuing the service for a longer period to address all of those needs.¹³³

7.13 As a result, MARSS recommended an increase in the amount of tutoring available to culturally and linguistically diverse students, which would have a positive impact on their learning, and contribute to their future engagement in vocational education and training.¹³⁴

7.14 The Committee supports suggestions to increase in funding to assist multicultural community organisations in providing additional English tutoring to culturally and linguistically diverse students.

Recommendation 7

7.15 The Committee recommends that the ACT Government collaborate with the Commonwealth Government to increase the financial support provided to multicultural community organisations that provide English programs.

¹³² Ms Dewani Bakkum, Chief Executive Officer, Migrant and Refugee Settlement Services, *Transcript of Evidence*, 15 October 2014, p. 108.

¹³³ Ms Dewani Bakkum, Chief Executive Officer, Migrant and Refugee Settlement Services, *Transcript of Evidence*, 15 October 2014, p. 107.

¹³⁴ Migrant and Refugee Settlement Services, *Submission 10*, 2014, p. 5.

VET FOR PEOPLE FROM NESB

- 7.16 VET for people from NESB is becoming increasingly important in Australia as the variety and origins of people from such backgrounds change.
- 7.17 The Committee acknowledges that vocational education and training institutions, including CIT, provide a variety of English and literacy programs to assist migrants in finding significant employment. However, evidence provided to the Committee highlighted that cross cultural training in the VET industry requires change to adapt to Australia's growing NESB population.
- 7.18 In the *A fair go: Factors impacting on vocational education and training participation and completion in selected ethnic communities* report, published NCVER, a prominent theme in the research was the importance of integrated language support. Participants were of the view that, even with only moderate English language proficiency, it was possible to complete training programs if language support was available as an integral part of the training program.¹³⁵
- 7.19 To assist NESB migrants in the ACT, CIT introduced an integrated language support program, where volunteers provide home support to people who are enrolled in the Adult Migrant English Program. Deputy Chief Executive, CIT, provided the Committee with details on the Adult Migrant English Program:
- A student is aligned with a volunteer home tutor, and they work with the student specifically in their home. The tutor goes to the student's home predominantly to work with them to help them improve their literacy skills. We have a website that has a lot of resources and materials that the home tutor can draw on so they are not left at sea to run their own race here.¹³⁶
- 7.20 In addition, the *Creating learning spaces for refugees: The role of multicultural organisations in Australia* report also noted that integrated language support was the most successful initiative for post secondary school refugees.
- 7.21 Examples provided in the report published by NCVER examined the positive impact of integrated language support for not just persons seeking employment but for all members of the family. A Melbourne multicultural community organisation reiterated the benefits of integrated language support for Southern Sudanese women when they stated:

¹³⁵ Ms Judith Miralles, *A fair go: Factors impacting on vocational education and training participation and completion in selected ethnic communities*, National Centre for Vocational Education Research, June 2004, <http://www.ncver.edu.au/wps/wcm/connect/c1f04425-6b6f-4ce1-ac09-b5c2db51a842/nr2i04.pdf?MOD=AJPERES&CACHEID=c1f04425-6b6f-4ce1-ac09-b5c2db51a842>

¹³⁶ Ms Jenny Dodd, Deputy Chief Executive, Canberra Institute of Technology, *Transcript of Evidence*, 26 March 2014, pp. 23-24.

A lot of Sudanese mothers are suffering with separation anxiety from their children. As they find it difficult to be away from them, they find it hard to have a life outside of the home. The playgroup we have organised offers them the opportunity to bring the kids along with them while they learn English, learn about life in Australia, get out of the house and socialise with other women.¹³⁷

- 7.22 Seeing the benefits of providing integrated language support to refugee/migrant mothers who are seeking training, employment or simply socialisation and understanding of Australian culture, MARSS advised the Committee that they had recently put in an application to have a play group for young mothers who are engaged in English language and literacy training.
- 7.23 Although there are a significant number of English language and literacy programs available, witnesses advised the Committee that a significant barrier faced by NESB groups, participating in VET, is the lack of cultural awareness in the workforce and during training.
- 7.24 In the *A fair go: Factors impacting on vocational education and training participation and completion in selected ethnic communities* report, research concluded that employers and educators alike have identified a growing need to develop workforce cultural competence in response to major drivers that include increased workforce and customer cultural diversity, global labour market mobility and competition for skilled employees. As a result of research conducted, it was recommended that the VET sector can, and should, expand current cross-cultural training provision in the policy, curriculum and quality frameworks already in place. Capability and capacity can be improved using models of good practice and by engaging experienced cross-cultural training facilitators across the sector.¹³⁸
- 7.25 The Report also noted that the results and benefits of cross-cultural training can be largely described in competency terms; they meet the required learning outcomes of the relevant units of competency within national training packages. However, while the results and benefits of developing cultural competence through cross-cultural training are demonstrable in quantitative terms, the research findings also point to the deeper sociological and psychological dimensions of the training experience.¹³⁹

¹³⁷ Multicultural Community Worker, quoted in: Beatriz Miralles-Lombardo, Judith Miralles, Barry Golding, *Creating Learning Spaces for Refugees: The Role of Multicultural Organisations in Australia*, National Centre for Vocational Education Research, April 2008, p. 40, <http://www.ncver.edu.au/wps/wcm/connect/5b2403cb-993b-45fd-81da-bf59dec6a5cf/nr5107.pdf?MOD=AJPERES&CACHEID=5b2403cb-993b-45fd-81da-bf59dec6a5cf>

¹³⁸ Ms Judith Miralles, *A Fair Go: Factors Impacting on Vocational Education and Training Participation and Completion in Selected Ethnic Communities*, National Centre for Vocational Education Research, June 2004, <http://www.ncver.edu.au/wps/wcm/connect/c1f04425-6b6f-4ce1-ac09-b5c2db51a842/nr2104.pdf?MOD=AJPERES&CACHEID=c1f04425-6b6f-4ce1-ac09-b5c2db51a842>

¹³⁹ Ms Judith Miralles, *A Fair Go: Factors Impacting on Vocational Education and Training Participation and Completion in Selected Ethnic Communities*, National Centre for Vocational Education Research, June 2004, <http://www.ncver.edu.au/wps/wcm/connect/c1f04425-6b6f-4ce1-ac09-b5c2db51a842/nr2104.pdf?MOD=AJPERES&CACHEID=c1f04425-6b6f-4ce1-ac09-b5c2db51a842>

- 7.26 The President of the Construction, Forestry, Mining and Energy Union, ACT Branch noted the benefits of language and cross cultural training with particular reference to asbestos awareness training:

I can give an example around the asbestos awareness training. I am working through a number of issues now with workers with English as a second language. I am in the process now of getting all the assessment instruments translated into their native tongue, so that when we deliver our training, we deliver it with a translator, and then we give their assessment in their native tongue or language. What you find when you go to a building site is that the safety signs are not necessarily multilingual. There has been some discussion through the industry about that.

With a multicultural Australia and where we are heading, and rightly so, we do need to start looking at how we are going to embrace this.¹⁴⁰

Recommendation 8

- 7.27 The Committee recommends that the ACT Government examine whether the introduction of cross cultural training into Vocational Education and Training would be beneficial to students from Non-English Speaking Backgrounds. If found beneficial, the Committee further recommends that the ACT Government consider further funding to deliver cross cultural training.**

TRAINING FOR PEOPLE FROM NESB

- 7.28 Submissions provided to the Committee highlighted negative and positive aspects of employing NESB students. MARSS provided an example where ACT employers have embraced NESB students and removed cultural and linguistic barriers. However, United Voice provided evidence that students from NESB are vulnerable when undertaking training at some RTOs.
- 7.29 Evidence provided by MARSS detailed the Calvary Hospital Refugee Mentorship Program, which matches Calvary Hospital staff with refugees interested in pursuing an occupation available at the hospital. MARSS suggested that this mentorship model could be expanded across other trades:

I mentioned as an example the Calvary Hospital Refugee Mentorship Program, which is a very useful program to our client cohort in the sense that they do have mentors. They do take on our clients, and they have mentors to train them in the areas of their need,

¹⁴⁰ Mr Jason Jennings, President, Construction, Forestry, Mining and Energy Union, ACT Branch, *Transcript of Evidence*, 15 October 2014, p. 149.

whether they are nurses, doctors, cleaners, admin – whichever area they need help with. So they are being partnered in that area to get that extra training. That makes it so much easier for them to continue their studies.

Similarly, we were thinking that if there were programs set up like this for other areas of trade qualifications, like mechanics, electricians or whichever area they are in, it makes it so much easier for our client group to have that experience and to satisfy their education demands.¹⁴¹

7.30 However, the Committee does recognise that experiences with training and employment can vary amongst NESB students. Experiences can be a result of choice of RTO, choice of trade/occupation and assistance available to the individual.

7.31 In evidence provided to the Committee, Secretary, United Voice, ACT Branch, illustrated a negative experience encountered by NESB students seeking security employment in the ACT without citizenship:

Because registered training organisations are paid by the participant or sometimes get a subsidy based on the numbers of people that go through, it is not in an RTO's interest to advise their clients, "Yes, you may do this training and, yes, we may be able to certify that you have completed the training. On that basis you may also be able to get a licence but you actually will not be able to gain employment." There is simply not enough demand for security officers that do not have permanent residency or citizenship. I think that is a tragic set of circumstances for those people who think, "Okay, I don't have any skills or I don't have much in the way of education in this country, even if I do have overseas qualifications. What can I do to obtain employment? I can pay for this course; I can go and undertake the training. At the end of that I can go and get my licence. Great, I am ready. I am ready to be employed now." But, in fact, they will never obtain employment because the requirement in government buildings is actually that you must have permanent residency or citizenship. And we see lots of people in that terrible circumstance.¹⁴²

7.32 Further to this, the Secretary of United Voices provided further evidence to the Committee:

We certainly support people from non-English speaking backgrounds moving into employment. We think it is really important that we remove discrimination barriers. We do not think that they should have a level of literacy above what is required for that particular position as a means of discriminating against these people. But they really do need additional support in that area.¹⁴³

¹⁴¹ Ms Dewani Bakkum, Chief Executive Officer, Migrant and Refugee Settlement Services, *Transcript of Evidence*, 15 October 2014, pp. 110-111.

¹⁴² Ms Lyndal Ryan, Secretary, United Voice, ACT Branch, *Transcript of Evidence*, 08 April 2015, pp. 195-196.

¹⁴³ Ms Lyndal Ryan, Secretary, United Voice, ACT Branch, *Transcript of Evidence*, 08 April 2015, p. 197.

8 STRATEGIES ADOPTED IN OTHER JURISDICTIONS

INTRODUCTION

- 8.1 The Committee reviewed the Education and Employment References Committee's inquiry into the Operation, Regulation and Funding of Private VET Providers in Australia. The review addressed three relevant experiences and learnings the ACT could benefit from; the new funding of private VET providers, marketing and unethical practices, and regulation. Extracts from the Senate Committee's Inquiry, which the Committee felt was pertinent to its Inquiry can be found at Appendix A.¹⁴⁴
- 8.2 The Committee also considered Josie Misko's 2015 research report, *Developing, approving and maintaining qualifications: selected international approaches*. The Committee found a number of quality assurance approaches, presented in the research report, which the ACT should consider adopting to strengthen assurance in the quality of VET qualifications.¹⁴⁵

EDUCATION AND EMPLOYMENT REFERENCES COMMITTEE INQUIRY

- 8.3 On 24 November 2014 the Senate referred the Operation, Regulation and Funding of Private VET providers in Australia to the Education and Employment References Committee for investigation.
- 8.4 The Senate Committee tabled an interim report on 2 March 2015 and a second interim report on 5 June 2015. The Senate Committee was granted two extensions by the Senate and the final report was tabled on 14 October 2015.
- 8.5 The Senate Committee's inquiry aimed to provide some perspective on the impact of the income contingent loan scheme VET FEE-HELP, with a specific focus on private providers.

¹⁴⁴ See Appendix A.

¹⁴⁵ Josie Misko, *Developing, approving and maintaining qualifications: selected international approaches*, National Centre for Vocational Education and Research, January 2015, <http://www.ncver.edu.au/wps/wcm/connect/6ba732b8-18e3-4edd-ae03-91eff6cace65/International-approaches-2775.pdf?MOD=AJPERES&CACHEID=6ba732b8-18e3-4edd-ae03-91eff6cace65>

- 8.6 As a result of the Senate Committee's inquiry it became apparent that there a serious national concerns due to the introduction of VET FEE-HELP. The Committee notes that such concerns could carry over to the ACT as it opens up the VET market to VET FEE-HELP.

Such concerns include: extraordinary profits made at the expense of the taxpayer and students due to a lack of control mechanisms, lack of regulation and enforcement around RTO marketing practices and ASQA's powers and cultural mode of operation.

- 8.7 The Senate Committee also highlighted solutions and recommendations that should be adopted nationally to ensure no student accessing VET FEE-HELP is deceived in any way. A possible solution to this problem was brought to the attention of the Senate Committee by the Victorian Department of Education and Training. As part of that government's review of VET provision, they are considering introducing a reform whereby registered organisations seeking to subcontract out any part of the training for which they have been contracted would be obliged to receive the Department's approval for any such subcontracting arrangement. The Senate Committee noted that this idea should be explored nationally.¹⁴⁶
- 8.8 The Senate Committee's inquiry found that ASQA's role appears to be envisaged as being more about accreditation and entry standards than quality assurance. This suggests that there may be a case for reviewing the principles underpinning the foundations of regulation in the vocational education sector. The Senate Committee was of the view that the powers and cultural mode of operation of ASQA must be called into question.¹⁴⁷

Recommendation 9

- 8.9 The Committee recommends that the Minister for Education and Training engage with the relevant Ministerial Council to explore the possibility of introducing the initiative of the Victorian Department of Education and Training, in relation to subcontracting reforms, nationally.**

¹⁴⁶ Parliament of Australia, Senate Education and Employment References Committee, *The Operation, Regulation and Funding of Private Vocational Education and Training (VET) Providers in Australia*, October 2015, Section 4.62 http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Education_and_Employment/vocationaled/Final_Report

¹⁴⁷ Parliament of Australia, Senate Education and Employment References Committee, *The Operation, Regulation and Funding of Private Vocational Education and Training (VET) Providers in Australia*, October 2015, Section 5.31 http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Education_and_Employment/vocationaled/Final_Report

Recommendation 10

- 8.10 The Committee recommends that the Minister for Education and Training raise the principles underpinning the regulation of ASQA, as per paragraph 5.31 in the Senate Inquiry, with other States and Territory at the relevant Ministerial Council.**

INTERNATIONAL QUALITY ASSURANCE APPROACHES

- 8.11 As mentioned previously, quality assurance concerns and ASQA's capacity to ensure quality assurance has been presented to the Committee on numerous occasions. Submissions and witnesses have noted that the range of formal, non-formal and informal situations youth can obtain qualifications significantly contribute to uncertainty about the quality of qualification. This uncertainty can reduce trust and confidence in the value of the qualification and limit its acceptance by employers and the individuals themselves.
- 8.12 In the *Developing, Approving and Maintaining Qualifications: Selected International Approaches* report, published by the NCVET, the report found that across jurisdictions there is a shift away from a system of inspection. The inspectorial approach has either been superseded by or combined with a quality assurance approach. One quality assurance approach governments across jurisdictions have included is the involvement of industry and other relevant stakeholders in the development of occupational and education standards, as well as the development and approval and/or accreditation of qualifications.¹⁴⁸
- 8.13 The sector skills councils in the United Kingdom formalise the participation of industry in the training system. In Finland and Sweden industry and community stakeholders are involved in the development of qualifications in the national and sectoral committees charged with this function.¹⁴⁹
- 8.14 A good example of formal and strong involvement for industry in VET is provided by the German dual system for vocational education and training, whereby industry, Government and unions (called the social partners) collaborate to ensure quality training and assessment. Industry also works collaboratively with the federal government to develop vocational training regulations and to specify trainee occupations and the period of training. Industry and State

¹⁴⁸ Josie Misko, *Developing, approving and maintaining qualifications: selected international approaches*, National Centre for Vocational Education and Research, January 2015, <http://www.ncver.edu.au/wps/wcm/connect/6ba732b8-18e3-4edd-ae03-91eff6cace65/International-approaches-2775.pdf?MOD=AJPERES&CACHEID=6ba732b8-18e3-4edd-ae03-91eff6cace65>

¹⁴⁹ Josie Misko, *Developing, approving and maintaining qualifications: selected international approaches*, National Centre for Vocational Education and Research, January 2015, <http://www.ncver.edu.au/wps/wcm/connect/6ba732b8-18e3-4edd-ae03-91eff6cace65/International-approaches-2775.pdf?MOD=AJPERES&CACHEID=6ba732b8-18e3-4edd-ae03-91eff6cace65>

Governments collaborate in the development of the curriculum, which describes the skills and knowledge to be developed as a result of the training.¹⁵⁰

- 8.15 In addition to industry participation in the development of qualification, industries across jurisdictions are also contributing to the approval and accreditation of assessments. Debates about the quality of assessments are generally concerned with the lack of adequate mechanisms to ensure the consistency, comparability and quality of assessments across RTOs or training providers. In an attempt to squash such concerns, countries such as Germany have enlisted the help of industries to administer examinations after apprentices have completed their training. Such involvement enables industry to have a powerful influence on the curriculum. Industries also monitor the performance of companies providing training in their districts or regions and review their ability to provide or continue to provide training.
- 8.16 In Finland skills demonstrations (where the performance of students is assessed by teachers and students and representatives of enterprises) are used to confirm the validity and reliability of assessments in terms of the set objectives and levels of proficiency expected in industry. The results of these skill demonstrations for all students are used to indicate the quality of the learning outcomes achieved nationally and are published.¹⁵¹

¹⁵⁰ Josie Misko, *Developing, approving and maintaining qualifications: selected international approaches*, National Centre for Vocational Education and Research, January 2015, <http://www.ncver.edu.au/wps/wcm/connect/6ba732b8-18e3-4edd-ae03-91eff6cace65/International-approaches-2775.pdf?MOD=AJPERES&CACHEID=6ba732b8-18e3-4edd-ae03-91eff6cace65>

¹⁵¹ Josie Misko, *Developing, approving and maintaining qualifications: selected international approaches*, National Centre for Vocational Education and Research, January 2015, <http://www.ncver.edu.au/wps/wcm/connect/6ba732b8-18e3-4edd-ae03-91eff6cace65/International-approaches-2775.pdf?MOD=AJPERES&CACHEID=6ba732b8-18e3-4edd-ae03-91eff6cace65>

9 CONCLUSION

- 9.1 The Committee thanks the Minister for Education and Training, Ms Joy Burch MLA and officials from various ACT Government directorates, including ETD for their assistance, evidence and attention to the numerous matters taken on notice at the Committee's hearings.
- 9.2 The Committee also thanks CIT for its contribution to the Inquiry and for its assistance to the Committee in providing factual material and other resources during the Inquiry.
- 9.3 The Committee wishes to thank all organisations and individuals who have contributed to this Inquiry, by preparing submissions and appearing before the Committee as requested.
- 9.4 The Committee, as a consequence of this inquiry, also notes that there are a number of challenges and opportunities for VET both nationally and locally. The Committee has made 10 recommendations which it considers will support, enhance and improve the delivery of VET in the ACT.
- 9.5 In view of the fact that neither the report of the ASQA audit of the Electrotechnology course at CIT, nor the CIT response to that ASQA audit report, are available at the time of presentation of this report (as noted in paragraph 5.22) the Committee intends pursuing this matter in future as a continuing part of this inquiry. Accordingly, as the Committee has not seen the ASQA audit report, or the CIT response to it, it is acknowledged that this report from the Committee must be an interim report.

Mary Porter AM MLA

Chair

February 2016

Appendix A EDUCATION AND EMPLOYMENT REFERENCES

COMMITTEE INQUIRY

Operation, Regulation and Funding of Private VET providers in Australia

The following points are extracts from the Senate Committee's Inquiry, which the Committee felt was pertinent to its Inquiry:¹⁵²

- An issue raised during the Senate Committee's inquiry was that costs of courses have increased steadily as a consequence of the extension of the Commonwealth's loan scheme to VET courses. This has substantially increased the size of the debt students may be obliged to incur in order to attain the qualifications they need.
- This steady increase can be explained primarily because the introduction and expansion of access to VET FEE-HELP substantially raised the amount of money students were able to spend on their chosen course: access to a loan scheme enabled students to pay more, which in turn allows providers to charge more with the knowledge that the Commonwealth Government is ultimately responsible for the loan paying for the course.
- The Senate Committee noted that individuals have lifetime limits for the total amount of VET FEE-HELP loans they can access. However, while this lifetime limit can protect students from accruing unmanageable debts, this may also cause problems for students who access VET FEE-HELP while attaining qualifications which ultimately have little worth in finding or improving employment and thus have limited access to VET FEE-HELP loans to later supplement their training.
- The Senate Committee is of the view that VET FEE HELP differs from other Commonwealth income contingent loan programs in two respects. Firstly, the control on the number of providers has been unacceptably loose and secondly, there is no effective price control. In the absence of both of these the Senate Committee was of the view that the current policy settings of VET FEE-HELP pose an unacceptable risk to the Commonwealth.
- It is hard to escape the conclusion that amongst larger private providers, and indeed in some brokers, extraordinary profits are being made at the expense of the taxpayer, and at the expense of students these providers claim to be assisting.

¹⁵² Parliament of Australia, Senate Education and Employment References Committee, *The Operation, regulation and Funding of Private Vocational Education and Training (VET) Providers in Australia*, October 2015, http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Education_and_Employment/vocationaled/Final_Report

Such activities have heavily damaged the reputation of the vocational education sector as a whole, and if left unchecked, could affect Australia's international education industry through reputational damage.

- The Senate Committee was of a view that the Commonwealth Government, the Department of Education and Training and the regulatory authorities have lacked appropriate agility in dealing with the exploitative practices that the rollout of state and Commonwealth demand driven entitlement schemes have produced.
- In addition, a number of submissions and witnesses raised concerns about the prominent marketing of courses which attract VET-FEE-HELP support as being 'free' or 'Government-funded'. Such language may serve to hide from students the fact that they are in reality signing up for large loans from the Government, with the expectation that these loans will be repaid.
- The Senate Committee heard evidence about the role of third party marketing and recruitment agents in recruiting students to the private VET sector, generally referred to as brokers. The role of brokers is to market various courses or providers to potential students, referring them to a provider. Brokers are generally paid on commission for those students who enrol in a course.
- The Senate Committee noted that currently, brokers are not regulated directly, but only through making providers responsible for the actions of the brokers they subcontract to. The tightening of regulations around third-party brokers early in 2015 was generally seen as a necessary but not sufficient step in reframing the marketing practices common in the VET sector.
- While new standards have been introduced to explicitly forbid inducement-based marketing, the Senate Committee noted that their introduction has not had the effect of eliminating this behaviour by all RTOs. The Senate Committee therefore suggested that more rigorous enforcement and tighter regulations around RTO marketing practices are required.
- A related issue brought to the Senate Committee's attention was that of subcontracting of the delivery of training. In this circumstance, a student enrolls with an RTO but the actual training is carried out by an unregistered organisation. Issues about both regulation and quality were raised.
- A possible solution to this problem was brought to the attention of the Senate Committee by the Victorian Department of Education and Training. As part of that government's review of VET provision, they are considering introducing a reform whereby registered organisations seeking to subcontract out any part of the training for which they have been contracted would be obliged to receive the Department's approval for any such subcontracting arrangement. The Senate Committee noted that this idea should be explored nationally.
- ASQA's ability to enforce regulations was a central concern presented by witnesses. The national regulator, ASQA, has highly competent public servants and the Chief Commissioner, Mr Chris Robinson, is highly respected.

However ASQA, and the Department of Education and Training which regulates access to VET FEE-HELP, has faced severe challenges dealing with the abuses of some private providers. The Senate Committee was of a view that there is every reason to doubt that ASQA is fit for purpose, and that the regulatory architecture of VET may need a revamp. As the Chief Commissioner told Senate estimates in June, 'I work with the tools that I have'.

- From both providers and representatives of students, the argument was made that a simpler system, consistent across the country, would be to the advantage of all stakeholders in the VET system. Thus, in principle, the Senate Committee supported simplifying the regulatory system governing the VET sector and making it consistent across all States and Territories. However, the Senate Committee was unable to give full support to this given the recurring doubts raised about ASQA's capacity to adequately control the industry.

Appendix B LIST OF SUBMISSIONS RECEIVED

- 1 ACT Government
- 2 Mr William Dudley
- 3 Australian Education Union ACT Division
- 4 ACT Council of Parents and Citizens Associations
- 5 Australian Council for Private Education and Training
- 6 ACT Board of Senior Secondary Studies
- 7 National Centre for Vocational Education and Research
- 8 Australian Skills Quality Authority (ASQA)
- 9 CFMEU ACT Branch
- 10 Migrant and Refugee Settlement Services of the ACT
- 11 Housing Industry Association
- 12 Australian Vocational Training Academy Pty Ltd
- 13 United Voice
- 14 Mr Ian Dunstan – CIT Trainer & Assessor
- 15 ACT Electrotechnology Energy Advisory Board
- 16 Mr Michael Fitzgerald
- 17 Mr Anthony Norman Jones
- 18 National Electrical and Communications Association (NECA)

Appendix C PUBLIC HEARINGS

List of witnesses who appeared to give evidence to the Committee:

Public hearing on 26 March 2014

- Ms Joy Burch MLA, Minister for Education and Training
- Ms Diane Joseph, Director General, Education and Training Directorate
- Ms Leanne Cover, Deputy Director General, Education and Training Directorate
- Ms Ann Goleby, Director, Education and Training Directorate
- Ms Beth Mitchell, Director, Student, Engagement, Education and Training Directorate
- Ms Jenny Dodd, Deputy Chief Executive, Canberra Institute of Technology
- Dr Nicole Stenlake, Executive Director, People and Organisational Governance, Canberra Institute of Technology
- Ms Rhonda Fuzzard, Manager of Student Support, Student and Academic Services, Canberra Institute of Technology

Public hearing on 27 August 2014

- Mr John Stenhouse, Executive Officer, ACT Board of Senior Secondary Studies
- Ms Kerrie Sollis, Vocational Curriculum Accreditation Officer, ACT Board of Senior Secondary Studies
- Mr William Dudley, Private Citizen
- Dr Dianne Orr, Deputy Chief Commissioner and Commissioner (Compliance), Australian Skills Quality Authority

Public hearing on 3 September 2014

- Mr Patrick Lim, Senior Research Officer, National Centre for Vocational Education & Research
- Mr Hugh Boulter, Executive Member, ACT Council of Parents & Citizens Association
- Mr Alan Keith, Executive Officer, Australian Council for Private Education & Training

Public hearing on 15 October 2014

- Ms Dewani Bakkum, Chief Executive Officer, Migrant and Refugee Settlement Services of the ACT
- Mr David Fogg, President, Housing Industry Association ACT and Southern NSW Region
- Mr Neil Evans, Executive Director, Housing Industry Association ACT
- Mr Jason Jennings, President, Construction, Forestry, Mining and Energy Union -ACT Branch
- Mr Garrett Purtill, Industrial Officer, Australian Education Union, ACT Division

Public hearing on 3 September 2014

- Mr Patrick Lim, Senior Research Officer, National Centre for Vocational Education & Research
- Mr Hugh Boulter, Executive Member, ACT Council of Parents & Citizens Association
- Mr Alan Keith, Executive Officer, Australian Council for Private Education & Training

Public hearing on 15 October 2014

- Ms Dewani Bakkum, Chief Executive Officer, Migrant and Refugee Settlement Services of the ACT
- Mr David Fogg, President, Housing Industry Association ACT and Southern NSW Region
- Mr Neil Evans, Executive Director, Housing Industry Association ACT
- Mr Jason Jennings, President, Construction, Forestry, Mining and Energy Union -ACT Branch
- Mr Garrett Purtill, Industrial Officer, Australian Education Union, ACT Division

Public hearing on 1 April 2015

- Mr Ian Dunstan, CIT Trainer and Assessor, Canberra Institute of Technology
- Ms Pat Forward, Deputy Federal Secretary and Federal TAFE Secretary, Australian Education Union

Public hearing on 8 April 2015

- Ms Lyndal Ryan, ACT Branch Secretary, United Voice
- Ms Anna Whitty, Executive Director, Children's Services, Northside Community Service
- Ms Joy Burch MLA, Minister for Education and Training
- Ms Diane Joseph, Director General, Education and Training Directorate
- Ms Leanne Cover, Deputy Director General, Education and Training Directorate
- Dr Kaaren Blom, Acting Director, Learning and Teaching, Education and Training Directorate
- Mr David Miller, Director, Training and Tertiary Education, Education and Training Directorate
- Ms Leanne Cover, Acting Chief Executive, Canberra Institute of Technology
- Mr Carolyn Grayson, Deputy Chief Executive, Canberra Institute of Technology

Public hearing on 26 August 2015

- Mr Ross Heazlewood, Executive Officer, ACT Electrotechnology and Energy Advisory Board
- Dr Dianne Orr, Deputy Chief Commissioner and Commissioner (Compliance), Australian Skills Quality Authority
- Mr Mark McCabe, ACT Work Safety Commissioner, WorkSafe ACT
- Ms Emma Robertson, Director, Youth Coalition of the ACT
- Ms Rebecca Cuzzilo, Policy and Development Officer, Youth Coalition of the ACT

