

VICTORIAN EDUCATION AND TRAINING (VET) FUNDING REVIEW

SUBMISSION OF THE INDEPENDENT EDUCATION UNION VICTORIA TASMANIA

1.0 Introduction

The Independent Education Union Victoria Tasmania (IEU) is pleased to provide a submission to the Victorian Education and Training (VET) Funding Review. The IEU is the union with coverage of teachers, education support staff and principals in Victorian and Tasmanian Catholic and independent schools, and private VET colleges and RTOs.

The IEU supports a strong and viable VET system in Victoria. This includes support for the critical role TAFE plays as a major provider of high quality, accessible VET training for Victorians. The IEU believes that TAFE should be resourced and supported to ensure that barriers to training opportunities, such as geographic and economic, are removed as far as possible. This submission however focuses primarily on private provision VET which falls into the industrial remit of the IEU.

The IEU would highlight that there are many private VET providers who are delivering high quality programs to students, and whose teachers are given sufficient time, resources and professional development to be able to deliver high quality training and assessment. The credentials issued by these providers are respected and recognised as meeting industry standards, and these colleges play an important part in the overall delivery of training in Victoria.

However, the IEU is also acutely aware of the problems occurring in the delivery of high quality and reliable training in a significant number of private VET providers. In particular, the industry is characterised by precarious, casualised employment and employees are certainly subject to significant pressure to train students in overly short courses which rely on fast-tracking students and fast churn of numbers into and out of the colleges. The industry is also rife with sham contracting where those delivering training are required to provide an ABN so that employers are able to avoid obligations provided by the relevant industrial instruments. The casualisation of employment has led to an environment where employees are intimidated into not making complaints about poor quality and dubious practices by college employers. The IEU would estimate that only about 15 percent of teachers in private VET provision are ongoing employees.

Through the IEU's extensive experience in supporting its members employed in private VET colleges, it believes that a number of serious, inherent problems such as easy availability of funding under the current funding mechanisms, the highly casualised and vulnerable workforce, the massive growth of the sector over a relatively short period of time, tied to an inability of regulatory authorities to effectively regulate this sector, have resulted in a crisis of quality and confidence in VET training which is neither serving industry nor students and the community in

Victoria. The IEU submission outlines further the problems in the sector.

The IEU believes that the Victorian government needs to ensure tighter regulation and monitoring around the marketing and delivery of courses. In addition, stronger regulation is needed in respect to ensuring that course content and standards are appropriately delivered. In particular, funding availability needs to be tied to minimum time requirements on all aspects of course assessment and delivery, not to the high churn out of student numbers. The use of on-line training needs to be highly scrutinised. These measures will also assist in providing protection for vulnerable teachers employed by private providers who are pressured to fast-track students in courses dogged by inadequate teaching time, and who are denied appropriate quality training resources and appropriate ongoing professional development.

2.0 General concerns/problems

The quality provision of VET in Victoria has been adversely affected by a range of policy decisions at both federal and state level which have resulted in a combination of insufficient regulation and a funding model that is not adequately tied to quality nor workforce needs. This combination has allowed:

- a mismatch between the proliferation of courses and current and emerging labour market needs;
- low quality, questionable qualifications due to quick churn of students and lack of adequate course time requirements;
- overuse of on-line fast track assessment and delivery;
- lack of requirement for measurable and clear standards of resourcing of course delivery which include the provision of professional development, resources and teaching facilities for staff. There has been a rapid and massive increase over the last few years in private providers, which the IEU believes has placed great strain on regulatory authorities; and
- the vast majority of teachers working for private VET providers being employed precariously, and as such are unable to complain regarding compliance, accuracy of attendance records and time falsification in respect to student achievement.

The interplay of policy and funding arrangements, including accessibility to funding under the student entitlement, and the availability of VET Fee-help for students on a 'train now, pay later' basis has led to a situation in Victoria characterised by:

- a massive increase in private, for profit training providers attracted by the ready availability of government funding to provide high-volume, low-cost training; and
- a lack of proper standards and regulation governing providers wishing to enter and continue operating in that market.

The IEU would recommend to the members of the review team the ACTU submission to the recent **Senate Inquiry into Private Training Providers**. The evidence outlined in this submission largely reflects the experience that the IEU has of the problems in the VET provision in private colleges.

3.0 Key aspects of weakness

The key aspects of weakness in the current models resulting in poor quality courses, poor labour market outcomes, wastage and reputational damage are outlined below:

- qualifications are delivered in unrealistically short timeframes. For example, a recent study by the Australian Skills Quality Authority (ASQA) of 77 colleges offering childcare qualifications found that 80% were providing substandard, inadequate training. The most common failures related to assessment methods and the use of “recognition of learning” to fast track students. Here the substandard training has led to a lack of confidence from the early childhood sector itself in the quality of graduates;
- inadequate online training models. The IEU agrees with Mitchell in the identification of major problems associated with the proliferation of online courses – the elimination of infrastructure such as classrooms and libraries, saving on teachers’ salaries because the online training program needs to be prepared only once, with very occasional updates if the training package changes. The programs can be designed to minimise the need for active interaction between a teacher and student. (Mitchell, J., *Web of Deceit Campus Review*, 24 February 2014);
- inordinate focus and use of resources by RTOs on marketing practices, which lack appropriate transparency and accuracy. In late 2013, ASQA released a report into the marketing and advertising practices of RTOs. The report found a range of misleading behaviour and poor practices from many RTOs that are disadvantaging and penalising the students and workers who rely on the VET system. (*Marketing and advertising practices of Australia’s registered training organisations*, ASQA 2013);
- hiring of teachers with insufficient qualifications and skills, coupled with woefully inadequate, and in most cases, nil provision of professional development and training opportunities for teachers and other staff;
- a highly casualised and vulnerable teacher workforce, particularly in private providers of VET;
- unrestrained growth of courses in areas that have no match with labour market demand nor realistic employment prospects for students undertaking the courses. Skills Victoria, for example, reported a marked increase in training in a small number of occupations where graduates were reporting that training had little or no vocational benefit. (cited in Productivity Commission *Discussion Draft : Impact of COAG Reforms*, December 2011, p 36);
- poor compliance by almost 75% of training providers who were not able to demonstrate compliance with the key regulatory standard for quality training and assessment (*Australian Skills Quality Authority Annual Report 2013-14*, Commonwealth of Australia, 2014 p 26);

- ASQA audits showing significant numbers of training providers offering qualifications which are issued after fast-tracked and poor quality training, and which are subsequently not respected by industry (Bita, N *Childcare colleges marked as Failures*, the Australian 10 November p 3);
- massive and rapid increase in private providers in Australia – from 2009 to 2013, payments to non-TAFE providers to deliver VET programs increased by 160% and state government contributions to VET declining 7.2% since 2012. (2013 Financial information: Australian vocational education and training statistics, NCVET, Commonwealth of Australia, 2014 p6). Victoria in particular has seen a massive increase in the number of private VET providers. The IEU believes this is placing severe strain on regulators in terms of adequate, timely regulation;
- increases in fees and charges by 14.3% since 2012 (2013 *Financial information ; Australian vocational education and training statistics*, NCVET, Commonwealth of Australia, 2014 p6). The IEU believes this is related to the profit maximisation approach in the industry. The continuing low wages for teachers and other staff, and the poor provision of professional development and training and quality teaching resources for staff in the private provider sector are certainly not driving up costs;
- serious problems arising under the VET Fee-help model:
 - heavy reliance on VET Fee-help as the major source of funding for private providers (75% of total expenditure);
 - heavy marketing and reliance by private providers on VET Fee-help courses with evidence of these courses being up to five times more expensive than equivalent TAFE courses (Ross, J., and Loussikan, K., *Vocational loans go through the roof*, The Australian 1 October 2014, p 31);
 - despite very large numbers of students enrolled, extremely poor numbers of successful course graduations/completions. For example, media reports that EVOCCA College, one of the main private providers operating in Victoria who benefit from VET fee-help, graduated only 19 students in 2012, despite the college enrolling 14,000 students that year (*EVOCCA College defends graduation figures after concern raised about course quality: training council to investigate*, ABC News online, 29 January 2015); and
 - massive accrual of student debt because of growth in VET Fee-help loans, particularly negatively effecting vulnerable students.

4.0 Recommendations

As outlined above in this submission, the IEU believes there are significant problems in the provision of VET in Victoria, inherently linked to lack of minimum standards required for funding access and inadequate regulation. The IEU makes the following recommendations:

- better regulation of the training market, and more support for ASQA, and state regulatory mechanisms to enforce rigorous standards for entry and continued operation in the training market. Based on the evidence of ASQA and

elsewhere, the IEU believes stronger measures need to be in place through training packages, regulatory standards, and audit activity to ensure that the mandatory requirements developed by industry for the volume of learning, adequate amounts of workplace exposure, and assessment requirements are specified and adhered to. Rigorous auditing of online course delivery is an urgent issue;

- opportunity in audit processes for employees in colleges to provide confidential feedback to regulatory authorities;
- tighter access to government funding which is contingent on proof of quality standards prior to funding;
- greater requirement for standards which focus on minimum time for courses, course delivery modes, and professional training qualifications of staff, and ongoing employer provision of staff professional development and training which must be visible in operating budgets and evidenced through strong audit processes;
- rigorous examination of the use of VET Fee-help in the VET sector and introduction of mechanisms to eliminate unscrupulous over-use and to reduce the negative impact on the many vulnerable students who do not understand the impact on them of VET Fee-help and who are left with large debts and poor labour market outcomes;
- tighter regulatory standards around marketing and advertising practices in respect to those problems identified in the ASQA report;
- greater support for the viability of TAFE, including maintaining TAFE funding in real terms.

Conclusion

The IEU welcomes the Victorian Government's review of VET funding, as well as its review of quality assurance in Victoria's VET system, and sees these as timely and necessary. The IEU would be pleased to speak with the Reviewers to provide further details.

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