

# Quality of Assessment & Funding Models

Presenter: Mel Koumides

# ACPET Overview

ACPET – the Australian Council for Private Education and Training is a non for profit industry association established in 1991.

The underlying role of ACPET is to promote and support the private education and training sector Over 1200 members nationally, most delivering VET but also secondary schooling, English Language and higher education

Members range from large publicly-listed companies to sole operators specialising in niche markets. Over 440 of ACPET members are CRICOS registered which allows them to offer educational services to international students.

We offer support to educators and trainers through services aligned to business improvement, advocacy, and professional development courses for their staff;

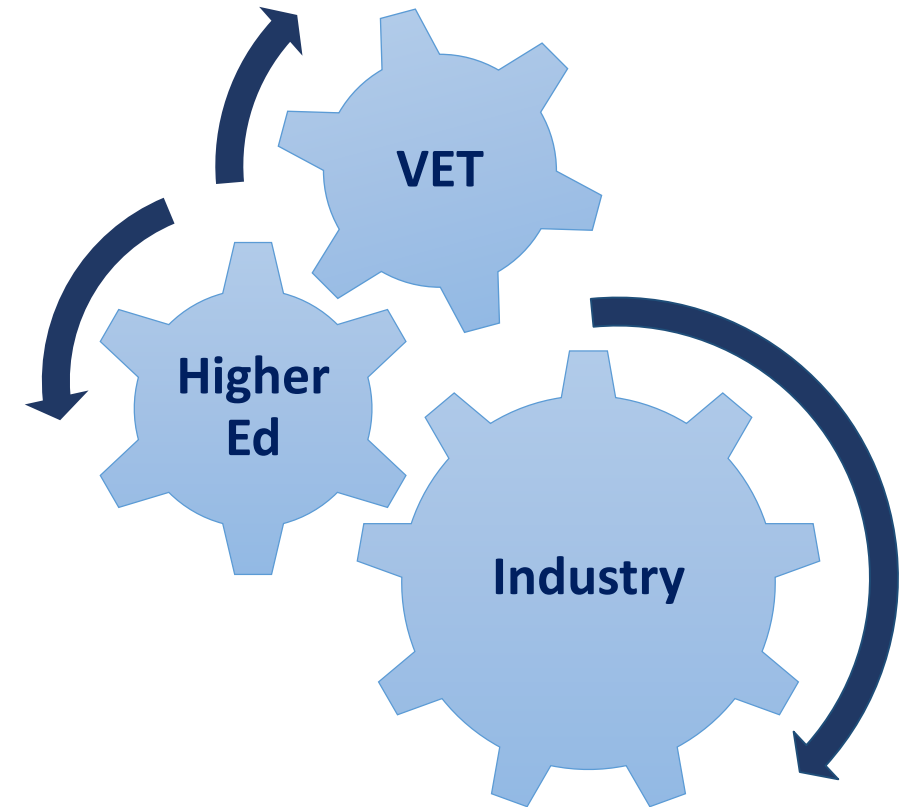


# Vast Majority of RTOs with highly competent Training workforce delivering Excellence in Training with Real Student Outcomes

- Sector includes very good quality not-for-profit providers, community colleges and majority of private providers .. doing the right thing and are contributing to delivering training to around 3.9 Million Australians in 2015
- 1.36 million students were enrolled in government-funded VET in the first nine months of 2015. This training was delivered by 1,889 providers across the country.
- Majority of students received fee for service training
- Student satisfaction levels are consistently above 80% and have been so for many years
- Vast majority of excellent RTOs are existing with an ever increasing burden of ineffective regulation whilst the minority continue to run riot

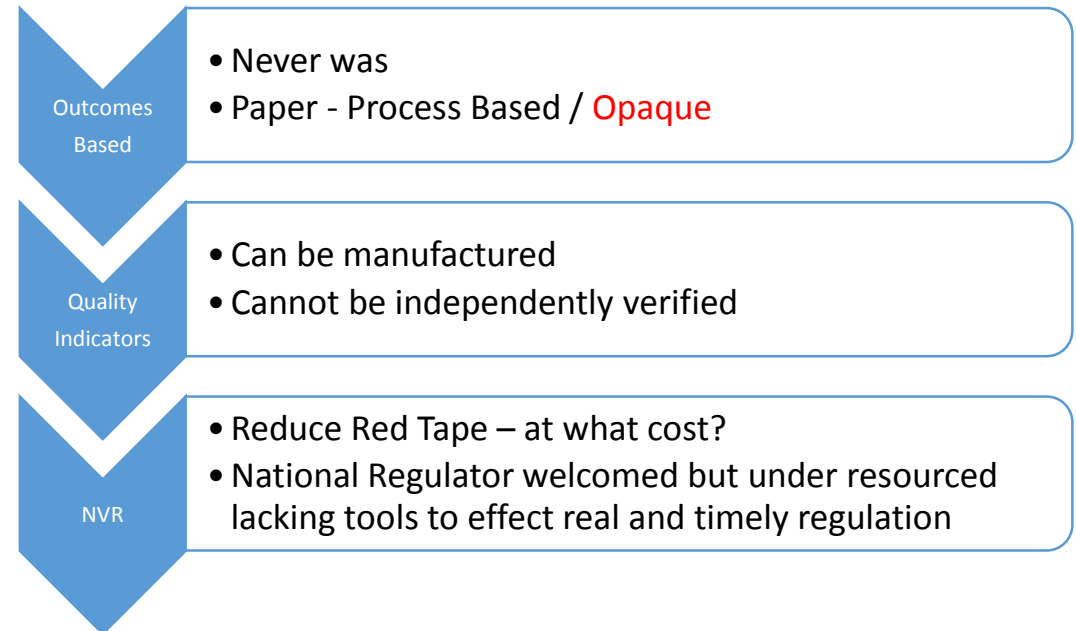
# National Training System

- We have a world-leading, industry-led single national VET system developed over the past 16 years
- National qualifications and quality assurance frameworks support consistent outcomes
- More than 85% of occupations are covered by nationally recognised qualifications in Training Packages
- Industry determines occupational competencies (standards) for each qualification
- Strong industry leadership and engagement
- More than two thirds of employers of recent VET graduates satisfied that VET is giving graduates skills employers need.



# AQTF / SNR / SRTO History

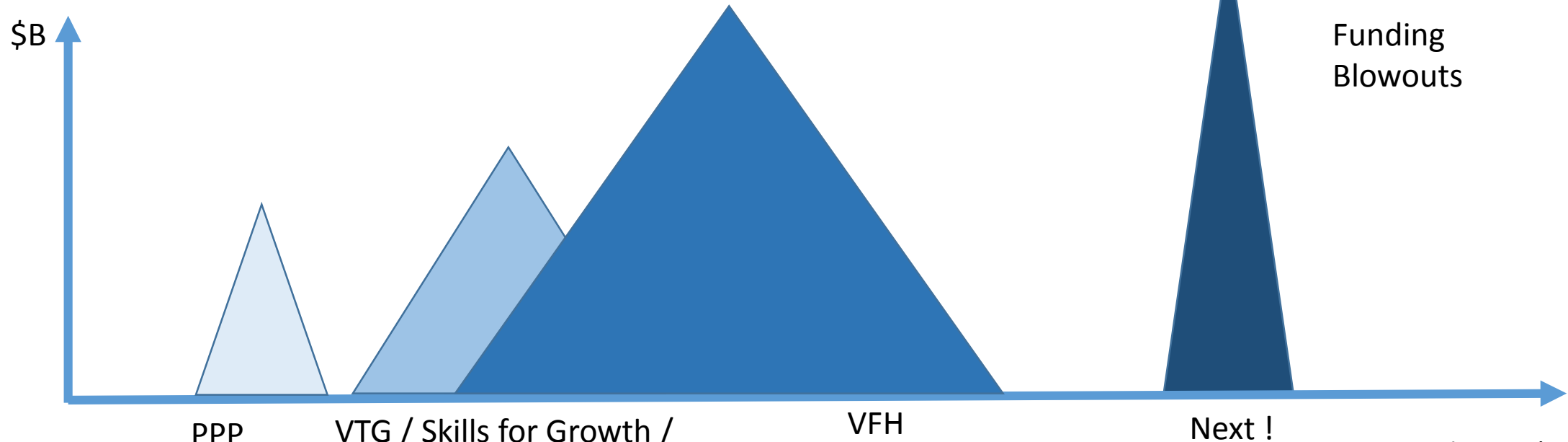
Year	Version
2001	AQTF
2005	AQTF 2005
2007	AQTF 2007
2010	AQTF 2010
2011	Standards for NVR Registered Training Organisations 2011 (SNR 2011)
2015	Standards for Registered Training Organisations 2015 (SRTO 2015)



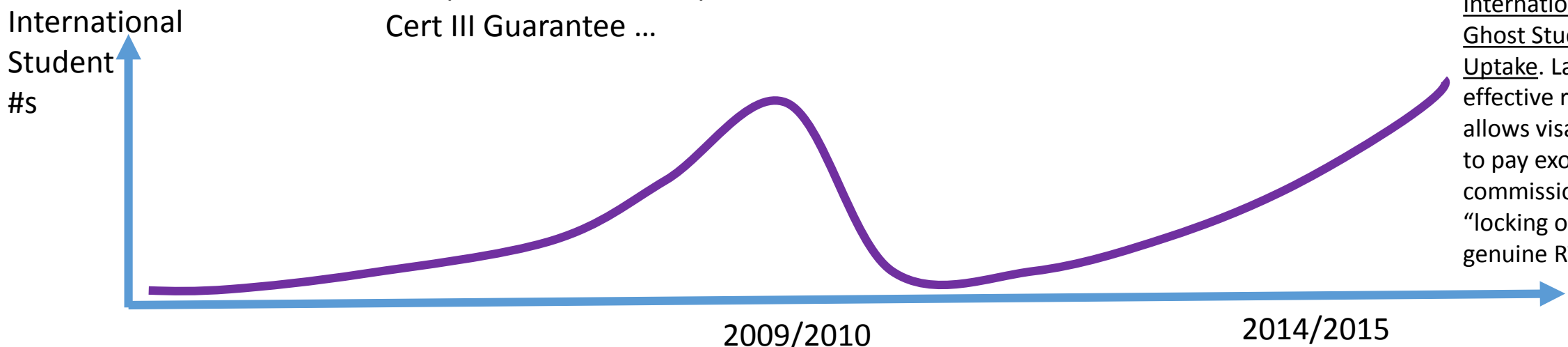
# National Regulator is becoming more effective but is hampered with lack of sharp tools / legislation

- ASQA has taken a decision to deregister 10% of RTOs since its inception
- ASQA has won high profile cases (Supreme Court, Administrative Appeals Tribunal)
- But does not have the tools to effect regulation in a timely manner
  - Competency framework used as an excuse for short cuts and poor training delivery
  - Training Packages do not prescribe benchmark course durations for new learners
  - Assessment method is totally dependent on the qualification issuing RTO with no random independent validation of the student that the training has actually occurred – risk driven
  - Regulator is under resourced to effect quick and random audits
- Consequences:
  - Market is driving a race to the bottom
  - Responsible providers who want to invest in quality have no protection against shoddy RTOs
  - Many Fraudulent RTOs continue to operate “under the radar” and have been for years compromising an effective market system
  - Uneven playing field for good providers to succeed

# Blowouts due to questionable training and front-ended funding models – Boom and Bust model!



Funding Blowouts



International Ghost Students on the Uptake. Lack of effective regulation allows visa factories to pay exorbitant commissions for students "locking out" genuine RTOs

# Blowouts caused by well intentioned but poorly designed state/national funding models


- Funding bodies accept that if an RTO is registered then more or less they can be funded. This is not enough!
- Funding is either front ended or on unity of competency completion without any occasional independent verification on whether training has occurred
- Lack of independent random assessment of learner competency at census time (prior to debt being incurred) means there is no protection for the learner negating a sustainable / quality driven funding model
- How can a consumer make an informed decision on where to train?
- Why are there no mandatory requirements on the RTO to
  - Provide entry requirements that that student must meet to undertake the course
  - An expected course duration where a student can reasonably attain the training and skills required
  - The type of training and study load that is expected of the student



# Minority of Organisations driving excellence in defrauding the Government and the Tax Payer

- RTOs can purchase pristine policies and procedures in the marketplace to demonstrate total compliance with little to no training of students being carried out
- RTOs delivering 6 month course across a long weekend – students only required to come in to complete assessments with answers on the whiteboard
- Online multiple choice assessments where even if you try to get it wrong after a number of times the program prompts you “You mean D”
- Spot checks by regulators to randomly review 200 student files (starting to review in some cases the actual student him or herself) where RTO has 200 completed files prepared and ready each without a student name ready to be filled in...
- RTO’s selling “work visas” to international Students masquerading as student visas operating RTOs without any international students attending as they are busy working
- Brokers selling VFH \$18,000 to \$24,000 contracts for \$50 in cash or in return for laptops / iPads.
- Brokers / RTOs targeting Centrelink queues, Aged Care homes, vulnerable communities, students and their families
- Call centres from the Philippines telephone enrolling vulnerable students – when asked who is the actual RTO they refuse to disclose such information
- Brokers not only enrolling “sight unseen to the RTO” students on behalf of an RTO but delivering the whole course on the RTO’s behalf
- And much more

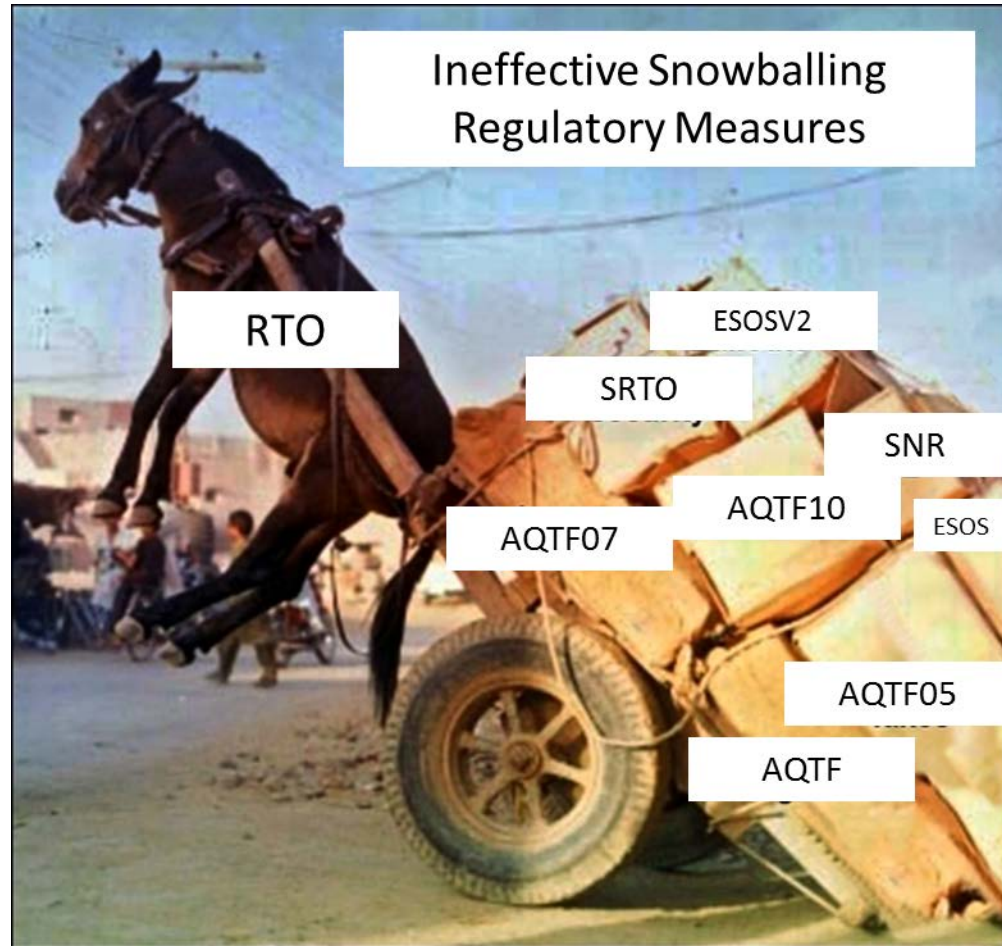
# Annual or regular RTO Reporting / Auditing Requirements

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This has become much too silly!



# ENOUGH!



## Highly compromised Funding Models



**Collapsed training college owners had long-term plan to escape sector, paid themselves \$20m**

**Watchdog seeks \$210 million ... as VET sector crackdown continues**



**Up to 12,000 students in limbo after college collapse**

# A brave new world

- Department of Education Studies being sought in
  - Independently assessing students (by risk cohort: e.g. student demographic, qualifications involved with public safety, high risk RTO etc.)
  - Distinguishing between Training only versus Training and Assessment RTOs
  - Empower the regulator to effect regulation in a much more timely manner
  - Introducing Trainer Associations

# Where do we want to be in the next 10 – 20 years?

- How does government(s) select only the best providers to publicly fund?
- How do policy makers establishing better and more transparent benchmarks for pricing and provider performance?
- How do we move regulation from a paper/policy based system towards a focus on academic achievement and outcomes?
- How do we create a market driven system with contestability between quality providers as opposed to contestability between providers with best sales forces and highest broker paying commissions to the detriment of the student?
- How do we change the private / public debate, to be judged instead on student outcomes?
- How can the consumer (the prospective student) be better informed on the course itself and independently verify the credentials of a training provider?
- How do we move away from the boom and bust cycle of funding today with no funding tomorrow?

*Once again, the vast majority of Training Institutes continue to deliver quality training with real often life changing student outcomes. But for how long?*