

## A Submission to the Senate Education and Employment References Committee

### From ACTE Pty Ltd (Evocca College) and Prime Learning Pty Ltd (Evocca Workplace Training)

#### 1 Introduction

Evocca College and Evocca Workplace Training (Evocca) welcomes the opportunity to make a submission to the Senate Education and Employment References Committee. The purpose of this submission is to provide insight into the operation, regulation and funding of private vocational education and training (VET) providers in Australia. Evocca supports a strong public and private vocational education system, where VET is recognised for the valuable contribution the sector makes to developing skills and labour market competences that lead to jobs, productivity, and economic efficiency.

#### 2 Background on Evocca

Operating as two Registered Training Organisations (RTO), with two very distinct services, Evocca is well positioned to provide the Committee with insight into the opportunities for training for students in pre-vocational courses, traineeships, and Diploma courses. Evocca delivers vocational education and training courses to over 14,000 students, providing flexible learning delivery models (on campus, distance/online, or a combination of the two) to suit the needs of students. Diplomas and Advanced Diplomas are offered in Business, IT and Multimedia, Community Services, Events, Travel and Tourism and recently Beauty. Evocca is accredited to offer VET FEE-HELP and currently operates in

three states – Queensland, New South Wales, and Victoria – and will shortly commence operations in South Australia. Students and employers who access the education and training opportunities at Evocca include job seekers, entry level workers, existing workers who are upskilling, students wanting to access a pathway to university and employers looking to increase the productivity and efficiency of their employees within the workplace.

Evocca provides individuals with the opportunity to develop the skills and qualifications needed to enable their effective participation in the labour market.

This submission provides information on the key terms of reference and recommendations to the Senate Education and Employment References Committee. It is structured as follows:

Section	Page Number
1. Introduction	1
2. Background on Evocca	1
3. Recommendations	2
4. Overview of the VET industry	3
4. Terms of Reference	7
5. Summary and Recommendations	21
6. Appendices	22



### 3 Recommendations

#### *Recommendations*

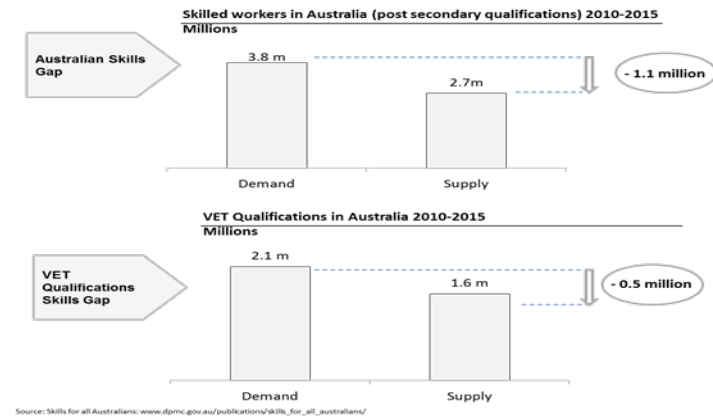
- 1. ASQA is the sole body regulating all RTOs across Australia to ensure nationally consistent standards.*
- 2. A more realistic repayment threshold for FEE-HELP loans should be between \$30,000 and \$40,000.*
- 3. The Government provides more information to prospective students on the selection of an RTO, including clear guidelines on what students should expect to be provided based on the level of course fees paid.*
- 4. The Government permanently extends access to VET FEE-HELP to Certification IV level qualifications.*
- 5. RTOs are mandated to report to Job Services Australia and Centrelink on student engagement, enabling Centrelink to act on this information.*
- 6. RTOs be required to offer a minimum number of census dates based on the length of the qualification.*
- 7. RTOs be required to provide evidence that a student has commenced study before passing the first census date.*
- 8. RTOs be empowered and encouraged to cancel long absent students to prevent them from incurring debt for study they are not undertaking.*
- 9. Broker fees paid by RTOs be disclosed to the Federal Department of Education and Training, and capped at 15% of total course fees.*
- 10. The Government mandates the voluntary Broker Code of Conduct.*
- 11. ASQA's constitution be amended to reflect an emphasis on education and continuous improvement of RTOs and that the appropriate funding should follow.*

## 4 Overview of the VET Industry

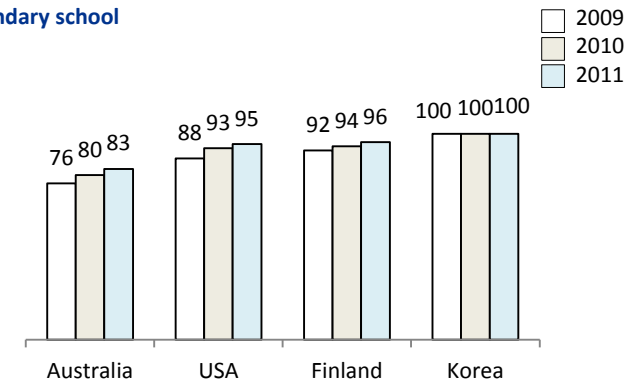
### Economic Agenda

Recognising the contribution a skilled workforce makes to the nation's productivity agenda, the Federal Government has been implementing reforms to Australia's Vocational Education and Training (VET) system to give young Australians the best opportunity to get a job.<sup>1</sup> There is much evidence to suggest that these (and continued) reforms to the sector by State and Federal Governments have been, and will continue to be, necessary to boost Australia's competitiveness. For example:

- Demand for skilled labour will outstrip supply by 1.1 million people and 0.5 million qualifications over a four year period (see below)<sup>2</sup>;
- Enrolment in tertiary education in the five years following secondary school is lower than comparable nations (see opposite)<sup>3</sup>; and
- Post-secondary attainment lags behind other comparable OECD countries in the 25-34 and 25-64 year age brackets (see over)<sup>4</sup>.



**Total enrolment in tertiary education in 5 years following secondary school**



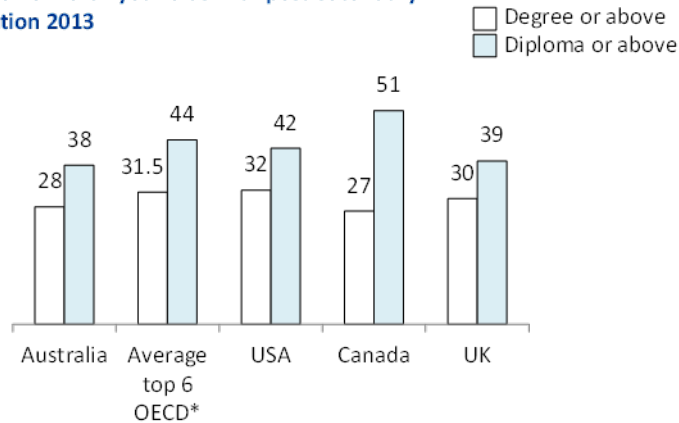
<sup>1</sup> An action plan for Australia's future. Prime Minister, 14 October 2014

<sup>2</sup> Skills for all Australians: [www.dpmc.gov.au/publications/skills\\_for\\_all\\_australians/](http://www.dpmc.gov.au/publications/skills_for_all_australians/)

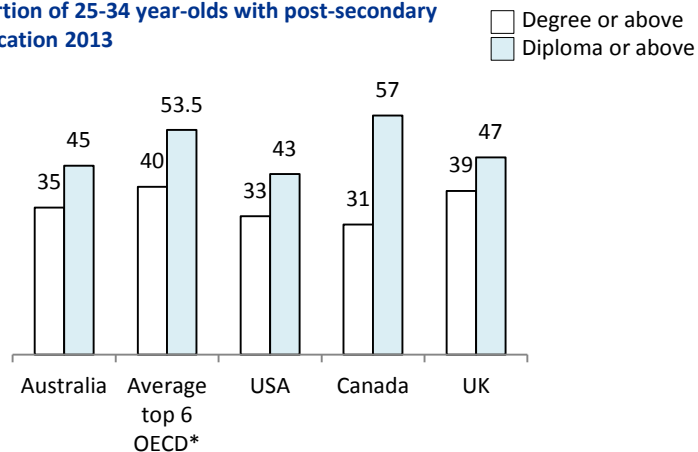
<sup>3</sup> World Bank: [www.data.worldbank.org/indicators/Se.TER.ENRR](http://www.data.worldbank.org/indicators/Se.TER.ENRR)

<sup>4</sup> OECD Education at a Glance 2013 Indicators

Proportion of 25-64 year-olds with post-secondary qualification 2013



Proportion of 25-34 year-olds with post-secondary qualification 2013



Moreover, the benefits of undertaking further study and training extend not just to the economic agenda, but they enhance an individuals' health and wellbeing. For example:

- A single additional year of education increases life expectancy by 0.18 years;
- A 0.15 year increase in the average years of schooling would raise the average stock of formal education and training to the economy by 1.1 per cent by 2040 and would increase productivity by 0.62 per cent; and
- An additional four years of education reduces the risk of heart disease by 2.16 percentage points and diabetes by 1.3 percentage points<sup>5</sup>.

Support and understanding of the importance of the VET sector to the nation's economic agenda has been recognised and advocated by organisations such as the Business Council of Australia (BCA). Chief Executive, Jennifer Westacott, in her 19 June 2014 speech at the Swinburne University Chancellor's Lecture made the following observations (amongst many others):

"The Business Council of Australia is as interested in VET and skills as it is in schools and universities. We are deeply concerned that the national debate always seems to focus on schools and universities."

"We ignore the VET sector at our peril"

<sup>5</sup> R Rumberger and W Lamb, Australia is as interested in VET and skills as it is in schools and universities. We are deeply dy of the United States and Australia as interested *Economics of Education Review 553*; Organisation for Economic Co-Operation and Development, *Transition from Initial Education to Working Life OECD, 2001*); Barro, *The Determinants of Economic Growth: Cross-Country Empirical Study Education to*

Working Life OECD, 2001); Barro, *The Determinants of Economic Growth: Cross-e deeply eras-Muney 'Education and Health: Evaluating Theories and Evidence' (Working Paper No. 12352, National Bureau of Economic Research) 2006*; Denise Bradley AC et. al., *Review of Australian Higher Education Discussion Paper (Australian Government, 2008) 5-6.*

“Make no mistake, the higher education system is not short of people with opinions. VET on the other hand, needs more powerful friends.”

The first pillar of change...“is to restore the role and status of VET as a national economic priority.”

“...no matter what successive governments have said, future-proofing VET has not been a national priority and this has to change.”

“If we undervalue VET, we will abrogate our responsibility as a nation to maximise people’s potential to have good and rewarding jobs, and the capacity to take up new ones over the course of their lifetime.”

On a global scale, two actions from the B20 – G20 *Partnership for growth and jobs* whitepaper are most relevant to the continued reform of the VET sector:

- Promote lifelong learning as a means for individuals to enhance their employability, as well as for companies to improve their innovative capacity and competitiveness; and

- Build up education and training systems, which are responsive to structural changes in the economy and society; ensure acquisition, recognition, utilization and transferability of skills and competencies, thereby opening new training and career pathways and exploiting all available human resource potential.<sup>6</sup>

The B20 acknowledged that employability must be a key component of education systems globally. In Australia, private training organisations have strong links with industry and work closely with employers to develop training programs which provide pathways to meeting labour needs.

#### **Market Share**

The implementation of a demand driven funding model has been a core mechanism to increase the skills and qualifications of individual workers and to drive improvements in the productivity of the economy, while fostering greater levels of workforce participation.<sup>7</sup> This is a primary goal of the Council of Australian Governments, and opening up the VET market to private providers (and enabling students a choice of provider) has seen numerous organisations evolve to fill a gap in the market.

Accordingly, as students continue to exercise their right to choose a provider to study with, the market share of the States’ formerly dominant player, TAFE, has reduced.

<sup>6</sup> [http://www.b20russia.com/B20\\_WhiteBook\\_web.pdf](http://www.b20russia.com/B20_WhiteBook_web.pdf) (page 49)

<sup>7</sup> Council of Australian Governments. Skills and Training. Available at: [https://www.coag.gov.au/skills\\_and\\_training](https://www.coag.gov.au/skills_and_training)

The National Centre for Vocational Education Research (NCVER) statistics are somewhat misleading on market share and it is worth clarifying that while TAFE supplies data to the NCVER on all student enrolments and graduations – whether government funded, self-funded, or VET FEE-HELP funded - 2015 will be the first year when private providers are similarly required to report on non-government funded student activity.

In filling a gap in the market, private providers offer existing and future students (amongst other things):

- Conveniently located campuses;
- A flexible learning model (including face-to-face, distance and blended) with rolling starts for courses;
- A flexible workforce of tutors who are ready, willing and able to teach and provide extra support to students outside of core classroom hours;
- Holistic learning beyond formal education (e.g. career counselling, dress for success classes, interview and resume writing skills, etc.); and
- Modern technology.

## 5 Addressing the Terms of Reference: the operation, regulation and funding of private vocational education and training (VET) providers in Australia

### (i) The access private VET providers have to Commonwealth and state public funding

#### *Certificate III Guarantee and User Choice (Queensland Government)*

In Queensland, Australian students who complete their VET qualifications through pre-approved RTOs have access to Certificate III Guarantee and User Choice funding. The Certificate III Guarantee provides a government subsidy to eligible students who reside in Queensland and are up-skilling without a current Certificate III or higher qualification. The User Choice program provides a public funding contribution towards the cost of training for students undertaking a traineeship or apprenticeship through a pre-qualified RTO. Both of these funding models are contestable for both TAFE and Private Providers. Pre-qualified providers are regulated by the Australian Skills Quality Authority (ASQA) against the national standards for VET, and must also comply with the terms of the State Government contracts. Similar funding programs exist in each state, and opportunities for contestable funding arrangements and market choice are dependent on the relevant State funding initiatives in line with their response to the COAG agreement of April 2012.

#### *VET FEE-HELP (Commonwealth Government)*

VET FEE-HELP is a student loan scheme for the VET sector that is part of the Higher Education Loan Program (HELP). VET FEE-HELP assists eligible students undertaking approved VET courses (Diploma, Advanced Diploma, Graduate Certificate and Graduate Diploma courses), with an approved VET provider, to pay for all or part of their tuition costs. VET FEE HELP is not government funding, but rather a contingent loan that a student must pay back. VET FEE-HELP is available through TAFE and Private Providers and, in 2013, TAFE NSW were the largest provider of courses funded through VET FEE-HELP with 16,114 students enrolled.

The provision of an income contingent loan to students studying VET qualifications brings equity to an educational system that previously only offered a similar initiative to students studying at university.

VET FEE-HELP was introduced in 2009 with the following important goals<sup>8</sup>:

- to remove the financial barriers associated with upfront costs of higher level VET study;
- to provide better support for disadvantaged Australians seeking education;
- to increase the options available to students;
- to increase skills and qualifications;
- to increase funding to the VET sector; and
- to support articulation between VET and Higher Education providers.

<sup>8</sup> Post Implementation Review of the VET FEE-HELP Assistance Scheme Final Report 30 September 2011

Not all providers are approved to offer VET FEE-HELP loans. RTOs can only access VET FEE-HELP if they have been approved under the *Higher Education Support Act 2003*.

A distinct difference between VET FEE-HELP places and Higher Education Contribution Scheme (HECS) funded student places at a University, is that the VET FEE-HELP placement has no other government contribution. The majority of undergraduate domestic university students are in Commonwealth Supported Places (CSP), therefore receiving a subsidy on the cost of their education. Accordingly, this masks the true cost of the degree qualification. The VET student is not entitled to the same CSP subsidy that many university students receive.

Furthermore, when Private Providers invest in bricks and mortar campus infrastructure, this funding is coming directly from the business and is not funded by the Government. In offering VET FEE-HELP qualifications, Private Providers have an important role to play to assist in job creation, employment and investment in human capital.



## **(ii) The cost of education at private VET providers**

The cost of education at private VET providers incorporates the true cost of course delivery, as students are generally not entitled to government subsidised courses and instead pay on a full fee-for-service basis (limited funding is available in each state through entitlement funding and traineeships/apprenticeships).

Furthermore, the cost of a course delivered by a private VET provider reflects the level of direct support that is provided to each student. This is one of the reasons why the price of courses offered by different private VET providers varies. When a course offers a higher level of support, such as one-on-one tutoring for students, career coaching, vocational placement opportunities, and learning support then the cost of the course increases. Generally speaking, students who are seeking employment require a higher level of support than those undertaking further training whilst already employed. This is because employed students already have a mentoring network and higher level of peer support and knowledge gained from their employer.

Moreover, the cost of education at a private VET provider must take into account the commercial costs of campus infrastructure, leases and equipment; labour costs including academic staff, administration and support services, and professional development costs; compliance costs; resource development costs; and learning support costs including career coaching.

What is of concern for the industry, are the 'cheap' courses that are offered, where, for example, a 12 month Diploma is offered for less than \$1,000. The level of support that can realistically be provided to a student at this price should be questioned.

### **(iii) The regulatory regime private VET providers operate within**

The national regulator for the VET sector is the Australian Skills Quality Authority (ASQA). ASQA aims to ensure that the quality and reputation of Australia's VET system is maintained through regulation of providers and accredited courses. ASQA functions involve registering training providers as RTOs, registering organisations on the Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS) to deliver training to international students on student visas, ensuring that organisations comply with the conditions and standards for registration by carrying out compliance audits, and accrediting VET courses.

ASQA is the regulatory body for RTOs in all states and territories except Victoria and Western Australia where ASQA only regulates RTOs that offer courses to overseas students or offer online courses to students in other Australian states and territories.

***1. Evocca recommends that ASQA is the sole body regulating all RTOs across Australia to ensure nationally consistent standards.***

Evocca supports the recent establishment of a national complaints hotline by the Federal Government jointly with the States and Territories. This hotline empowers students and employers to report rogue training providers to regulators. Additionally, the Australian Council for Private Education and Training (ACPET) is advocating for the establishment of a National Training Ombudsman and Evocca supports this initiative.

#### (iv) The operation of VET FEE-HELP

Evocca has been delivering qualifications through the VET FEE-HELP scheme since May 2011. Since then, Evocca, has experienced growth as more and more students have been able to receive quality VET education without the financial barriers that would have hindered them previously.

As mentioned under criteria (i), VET FEE-HELP is a student loan scheme for the VET sector that is part of the Higher Education Loan Program (HELP). VET FEE-HELP assists eligible students undertaking approved VET courses (Diploma, Advanced Diploma, Graduate Certificate and Graduate Diploma courses), with an approved VET provider, to pay for all or part of their tuition costs. VET-FEE-HELP is not government funding, but rather a contingent loan that a student must pay back. VET FEE-HELP is available through TAFE and Private Providers and in 2013 TAFE NSW were the largest provider of courses funded through VET FEE-HELP with 16,114 students enrolled.

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- to increase funding to the VET sector; and
- to support articulation between VET and Higher Education providers.

To cater for these students, Evocca has invested heavily in educational infrastructure throughout Queensland, New South Wales and Victoria. Infrastructure includes 40 physical college locations, new and expanded course materials, online learning platforms and strategies, and most importantly human capital, with Evocca now employing over 800 academic and support staff.

VET FEE-HELP has removed the financial barriers to quality education for thousands of Australians who have been isolated from skills development which will eventually lead them to developing greater self-worth, confidence, productivity, further education, health benefits and employment. Evocca supports all actions that ensure the long term future sustainability of VET FEE-HELP.

As a starting point, repayments of VET FEE-HELP loans are not required until a student's salary reaches \$53,345, and, accordingly, many students do not have 'skin in the game' and can take the attitude that they will never have to repay their debt. Accordingly, they may not take their studies as seriously as they otherwise would.

**2. Evocca recommends that a more realistic repayment threshold for FEE-HELP loans should be between \$30,000 and \$40,000.**

<sup>9</sup> Post Implementation Review of the VET FEE-HELP Assistance Scheme Final Report 30 September 2011

### **(v) The quality of education provided by private VET providers, volume of learning requirements and graduate outcomes**

#### *Providing more information to the market*

The deregulation of the VET sector has enabled it to develop a range of mainstream and niche courses to meet the needs of students and employers. With the number of RTOs in Australia reaching approximately 4,000, it can be overwhelming for a potential student to choose an RTO that suits their particular needs. Evocca believes it would be worthwhile for the Government to provide as much information to the market as possible on how to choose an RTO to study at and what to expect for the level of fees paid. The Queensland Government has a consumer guide along these lines<sup>10</sup>.

**3. Evocca recommends that the Government provides more information to prospective students on the selection of an RTO, including clear guidelines on what students should expect to be provided based on the level of course fees paid.**

#### *Diploma as the New 'Entry Level' Qualification*

Diploma level qualifications have become the new 'entry level' qualification as a result of the removal of financial barriers through the provision of VET FEE-HELP. Some students would be best placed commencing their studies at the Certificate IV level and progressing to a Diploma level qualification after successfully completing their Certificate. Without access to VET FEE-HELP at this level, however, and as a result of ad hoc State Government funding for

Certificate IV qualifications, many students instead commence at the higher level, potentially leading to poorer completion rates.

**4. Evocca recommends that the Government permanently extends access to VET FEE-HELP to Certification IV level qualifications.**

#### *Measuring Retention and Completion Rates*

Measuring retention and completion rates is vital for ensuring that quality VET education is being provided. However, no RTO can guarantee that every student who commences a course will complete it. The flexibility required by many students in the VET sector does mean that some students move in and out of the system. The introduction of the Unique Student Identifier (USI) will assist with reporting and tracking the movement of students in and out of the VET system and their final outcomes.

Recognising that students move in and out of the VET system for various reasons including - for example - because they have secured a job, means that completion rates as being reviewed by Government may need to be modified to take account of various other outcomes. Securing a job is of course a great outcome. Accordingly, the number of units completed instead of the number of qualifications may be a more robust measure to put in place.

It is also important for Government to understand that retention and completion figures will also be distorted by the ethical action of an RTO who suspends a student's enrolment because they are no longer engaged in their

<sup>10</sup> available at: <http://training.qld.gov.au/individuals/student-guide/training-consumer-tips.html>

course. It is important not to penalise good behaviour which may be caught in the data and misinterpreted.

Completion rates require longitudinal studies, as most Diploma courses do not start and complete in the one year. The student population have become accustomed to flexibility. The student must have the ability to come in and out of training based on their work/life balance. Total Vet Activity will allow all stakeholders to get a better understanding of the student pathways, and their ability to opt in and out of training.

At Evocca we believe our role is to ensure that our students are on a pathway to meaningful work with skills that meet the needs of the employer. These skills include employability skills, generic skills, and industry specialist skills. Accordingly, we have a team of Career Coaches who work with local employers and with students, identifying employment and placement opportunities. We also have an industry advisory board for each faculty and our faculty leaders work closely with employers, schools, and universities to ensure that our programs are relevant to the current job market.

#### *Information Sharing*

Evocca believes there needs to be significant improvements in the level of communication between Centrelink, Job Services Australia (JSA) members, and RTOs in order to monitor graduate outcomes. Currently, if an RTO reports to Centrelink that a student receiving Austudy has stopped attending their course and has been suspended, Centrelink has informed Evocca's academic staff that they cannot act on this information, and it is the student's responsibility to remove themselves from Austudy payments.

***5. Evocca recommends that RTOs are mandated to report to Job Services Australia and Centrelink on student engagement, enabling Centrelink to act on this information.***

#### *Multiple Exit Points through 'Clusters' and Census Dates*

RTOs currently have the opportunity to determine how many clusters are in their qualification. Examples of poor practice have been identified where RTOs (private and non-private) have delivered a Diploma over four months with one cluster date, despite the course realistically taking 12 months to complete. To put this into context, this would be much like a student being charged the full cost to study for a Bachelor degree as soon as they enrolled in their first subject. Accordingly, if there are multiple clusters in a course (ideally a minimum of three), a student has multiple exit points in which to leave a course without incurring additional debt.

Furthermore, if a student enrolls in a course but then fails to show any interest in actually undertaking the course before the census date (20% of the way into a cluster) by, for example, not attending class, logging into the portal, etc. an RTO should not enable the student to pass the census data and accordingly accrue a debt.

Evocca has three clusters for any course which is of a 12 month duration and four clusters for any course which is of an 18 months duration. Generally, universities have a census date two weeks into every subject a student undertakes.

**6. Evocca recommends that RTOs be required to offer a minimum number of census dates based on the length of the qualification.**

**7. Evocca further recommends that RTOs be required to provide evidence that a student has commenced study before passing the first census date.**

#### *Removing Students from Courses*

Originally Evocca was advised by the Federal Government that they could not remove students from courses, due to prolonged non-attendance, with the student having to do this themselves in writing. However, over the past two years, Evocca has been refining its systems and has taken the view that some students, regardless of their best intentions at the time of enrolment, will only enter the course to comply with their Centrelink obligations. Hence once they have met the “Approved Educational Activity” status requirements, will simply disappear as a learner, will not cancel, and will not engage with their staff. Evocca no longer tolerates this behaviour and is now actively suspending these students from their courses. We do this, realising that it impacts on completion and retention rates.

**8. Evocca recommends that RTOs be empowered and encouraged to cancel long absent students to prevent them from incurring debt for study they are not undertaking.**

#### *University Pathways*

Evocca has established articulation pathways with several universities including University of Western Sydney, Griffith University, Australian Catholic University, University of Newcastle and University of Wollongong. This

supports students to transition to higher education following their VET studies.

**(vi) Marketing and promotional techniques employed by private VET providers and education brokers both domestic and international**

One of the key issues regarding the operation of private VET providers stems from the use of brokers and reported unscrupulous marketing techniques. Eighteen months ago Evocca took a strong line against unethical marketing by brokers and took steps to move away from using the broker channel. These steps were as follows:

- Evocca audited all of its brokers for marketing compliance and student risk indicators, the result being it discontinued agreements with 75% of its brokers;
- Evocca does not allow its brokers to use sub-brokers, ensuring that we are better placed to directly monitor sales and marketing practices; and
- Evocca introduced pre-enrolment tests to ensure that all students understand the course costs they are committing to and the VET FEE-HELP system. We also use this test to assess the student's eligibility to undertake study and whether or not they have the commitment necessary to undertake the particular course applied for. This step has filtered out a lot of students and ensures that Evocca only enrolls those students who show they are genuinely interested in study, are capable of completing the course, and understand what they are signing up for.

As a result of these initiatives, Evocca only engages two brokers (prior to these initiatives Evocca worked with twelve different brokers), both of which are exclusive to the organisation. These two brokers are subject to monthly audits, ensuring appropriate use of logos, appropriate recruitment practices, full disclosure of Evocca as the RTO that is delivering the service, and that advertising is meeting the required standard.

A relatively easy, but highly effective area of reform for Government to consider, is to make brokers' fees more transparent. It is not uncommon to hear of broker fees being 50% of course fees.

***9. Evocca recommends that broker fees paid by RTOs be disclosed to the Federal Department of Education and capped at 15% of total course fees.***

In relation to broker practices, Evocca has identified that brokers tend to sell distance courses more aggressively than classroom courses. These enrolments are easiest to sign up but hardest to progress, retain, and complete.

Evocca goes to great lengths to ensure its recruitment practices set the industry benchmark. When Evocca's brokers market in shopping centres, the following safeguards are put in place. Potential students must:

- Sign an application form;
- Confirm their interest over the phone and book an appointment to visit Evocca;
- Visit Evocca and attend an information session on the course they are interested in and VET FEE-HELP;
- Successfully complete the pre-enrolment test;
- Attend the college another time and complete a workshop; and finally
- Attend the college again to show they are committed to study.

If they do all this they are enrolled in the course.

It should be noted, that promoting courses in shopping centres is not restricted to Private Providers, many TAFE colleges will have permanent advertising in shopping centres as well as having information booths from time to time.

Shopping centre promotion is effective in raising the awareness of training in the local area, particularly, where training opportunities have been limited in the past. Many families in disadvantaged areas would not be aware of training availability, but for shopping centre displays. For families who have never had any experience with higher education, there is still a fear that it's beyond their financial reach. It is important to break down these barriers, because without a quality education, their opportunity for employment is limited.

Evocca takes our industry responsibility and self-regulation very seriously, and in 2014 was part of a small group of large providers who worked together to formulate a Code of Conduct for brokers in order to stamp out poor practices. Evocca, like other key players in the industry, is dismayed by the unscrupulous work of some brokers. This group recently proposed the Code of Conduct to the Australian Council for Private Education and Training (ACPET) and it now forms the current voluntary broker Code of Conduct.

***10. Evocca recommends that the Government makes the voluntary Broker Code of Conduct mandatory.***

Further actions have been undertaken by Evocca to assist in the endeavour of regulating the conduct of brokers, including collaborating with ACPET to present professional development webinars to ACPET members in order to educate RTOs on both good and poor broker behaviour.



**(vii) Any incidents or allegations of non-compliance with regulation and funding arrangements at private VET providers**

As part of the conditions of registration, an RTO must comply with the VET Quality Framework. This framework is comprised of the National Standards for Registered Training Organisations, the Fit and Proper Person Requirements, the Financial Viability Risk Assessment Requirements, the Data Provision Requirements, and the Australian Qualifications Framework. ASQA regularly conduct compliance audits to ensure that organisations comply with the conditions and standards for registration.

New Standards for Registered Training Organisations came into effect on 1 January 2015 for newly established RTOs and will come into effect on 1 April 2015 for already established RTOs. If an audit is conducted by ASQA and a Private Provider has failed to comply with the standards, the provider is given an opportunity to improve. On first review, the number of private VET providers that are found to be non-compliant is high, yet given the opportunity to fix this, the number of private VET providers that are found to be non-compliant drops significantly upon second review. For example, while 23% of RTOs are compliant at initial audit for SNR 15, this figure rises to 76% compliance following rectification, 32% of RTOs are compliant at initial audit for SNR 18, this figure rises to 79% compliance following rectification (audits of existing RTOs 1 July 2012 – 31 December 2013).

Evocca acknowledges that a review system that enables RTOs to rectify a finding of non-compliance emphasises and enables continual improvement of RTOs. Non-compliance is especially prevalent when new standards for training providers and regulators come into effect, due to different levels of interpretation and understanding of how the standards apply. Moreover, ASQA

does not have a continuous education and improvement function to assist RTOs in applying a consistent interpretation of the standards

***11. Evocca recommends that ASQA's constitution be amended to reflect an emphasis on education and continuous improvement of RTOs and that the appropriate funding should follow.***

**(viii) Political donations made by private VET providers**

Evocca does not make political donations.

#### **(ix) International comparisons to the Australian funding and regulatory regime**

The Australian VET sector has a strong reputation around the world and many countries have adopted or built on Australian standards of funding and regulation. The board of Evocca College have many years' experience working in the New Zealand post-secondary sector.

Of note is that in New Zealand, repayment thresholds for VET income contingent loans are lower than in Australia at NZ \$19,084 (2012/13), with a repayment rate of 0.12c in every dollar above the threshold. This assists both with the sustainability of the sector and ensuring students have *'skin in the game'*.

Recently, members of Evocca staff have attended International VET conferences in America, Finland and Russia. Globally, the VET sector seems to struggle to be recognised and funded at an appropriate level. Key findings from the International Vocational Education and Training Association conferences were that there must be a recognition of Global Skills. Furthermore, strong alignment is necessary between employers and training organisations, and also between VET providers and universities.

Members of the Committee can find additional, useful information on this term of reference via the following NCVET publication:

<https://www.ncver.edu.au/wps/wcm/connect/6ba732b8-18e3-4edd-ae03-91eff6cace65/International-approaches-2775.pdf?MOD=AJPERES&CACHEID=6ba732b8-18e3-4edd-ae03-91eff6cace65>

**(x) The operation, regulation and funding of private VET providers specifically offering courses in aged care and early childhood education and their labour market outcomes**

Evocca does not offer qualifications in aged care. However, Government should be mindful of the ‘aged care experience’ where the mandating of qualifications for workers saw a large number of RTOs start to offer the requisite qualifications overnight, leading to poor industry outcomes. ASQA found in a review of RTOs offering qualifications in aged and community care that some were offering cheap and unrealistically short training programs. The key findings from the review were:<sup>11</sup>

- Aged and community care training programs are largely too short and include insufficient time in a workplace for satisfactory skills development;
- RTOs delivering high-quality training programs face unfair competition from those RTOs offering cheap and unrealistically short training programs; and
- RTO leadership and staff had poor knowledge and understanding of the required national standards, and of the requirements of training packages.

Evocca does offer qualifications in early childhood education through Evocca Workplace Training. These qualifications have led to good labour market outcomes with the majority of students successfully gaining employment.

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<sup>11</sup> *Training for aged and community care in Australia report*; ASQA; 2013.

## 6 Summary and Recommendations

Evocca recognises how important it is to have an education system that is focused on students and employers. Evocca has continued to negotiate university pathways and articulations with the Higher Education sector, and work with employers to make sure their courses meet the needs of local industry and the community.

Evocca supports a strong public and private vocational education system, where VET is recognised for the valuable contribution the sector makes to developing skills and labour market competences that lead to jobs, productivity, and economic efficiency.

To ensure the sector continues to provide quality education and training there must be a clear and sustainable vision for the future. Evocca endeavours to be a leader in the industry and to consult openly and often with Government on ways to strengthen the VET sector and enhance student outcomes.

### *Recommendations*

- 1) ASQA is the sole body regulating all RTOs across Australia to ensure nationally consistent standards.**
- 2) A more realistic repayment threshold for FEE-HELP loans should be between \$30,000 and \$40,000.**
- 3) The Government provides more information to prospective students on the selection of an RTO, including clear guidelines on what students should expect to be provided based on the level of course fees paid.**
- 4) The Government permanently extends access to VET FEE-HELP to Certification IV level qualifications.**
- 5) RTOs are mandated to report to Job Services Australia and Centrelink on student engagement, enabling Centrelink to act on this information.**
- 6) RTOs be required to offer a minimum number of census dates based on the length of the qualification.**
- 7) RTOs be required to provide evidence that a student has commenced study before passing the first census date.**
- 8) RTOs be empowered and encouraged to cancel long absent students to prevent them from incurring debt for study they are not undertaking.**
- 9) Broker fees paid by RTOs be disclosed to the Federal Department of Education and Training, and capped at 15% of total course fees.**
- 10) The Government mandates the voluntary Broker Code of Conduct.**
- 11) ASQA's constitution be amended to reflect an emphasis on education and continuous improvement of RTOs and that the appropriate funding should follow.**

## 7 ATTACHMENT 1 – Evocca Success Stories

### Paul Joseph – Brisbane Business Management

Paul chose to study at Evocca College to provide himself with the fundamental skills needed to succeed in business. Paul completed his diploma and with the help of the Evocca Confidence Program, he was successful in getting a job at a 5-star hotel chain that has helped build his confidence as an employee.

Further education doesn't stop there for Paul; he is now attending university where he will be studying a Bachelor of International Hotel Management.

“The immense support and encouragement I received from Evocca College gave me the confidence to achieve my goals.”



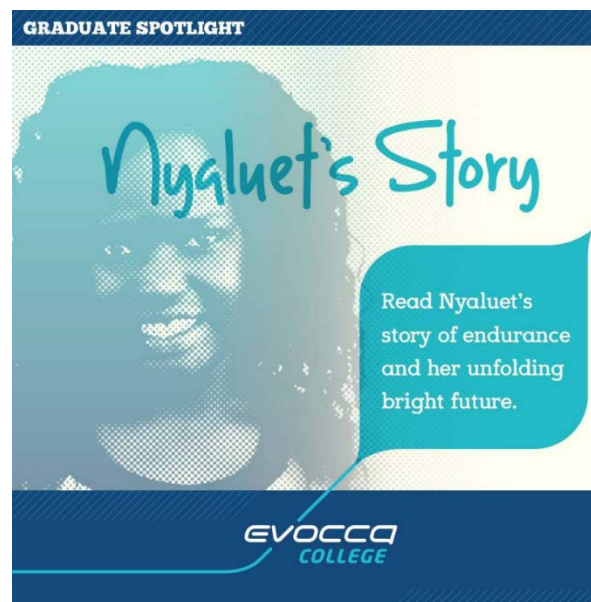
### Nyaluet Molang – Frankston Business

Nyaluet was originally a distance student who enrolled in November of 2012, after coming into the College in January she transferred into classroom. At the time, Nyaluet had not completed any course units BUT after a lot of hard work and perseverance Nyaluet graduated in July with a Business Diploma.

Nyaluet attribute her success to the learning environment and style at Evocca College.

“I like the flexibility and freedom to study my own pace,” said Miss Molang

She has also been guaranteed a place at Victoria University to further her business studies. We are so proud of Nyaluet for conquering her Diploma and know that she has a bright future!



### Krystal Bradbury – Campbelltown Business

Campbell town graduate and mother of three, Krystal Bradbury, is conquering goal after goal and is now studying full time at Wollongong University after completing a Diploma of Business.

Krystal completed her diploma at Evocca College in February; she thought she was too late to apply for a place at Wollongong University to study a Bachelor of Commerce.

“I wasn’t going to apply because I had already missed the closing date for applications but my Branch Manager, Cynthia Carrasco, encouraged me to apply regardless,” Krystal said.

Not long after finishing her application she received a calling telling her that she was accepted into the course and she could start the following day.

Prior to enrolling in the diploma at Evocca in October last year, Krystal said she was in a bad place.

“I felt lost, with absolutely no direction, and I really didn’t think I would be able to do a diploma, let alone a bachelor degree,” she said.

Being a single mum to three children, ages 1, 3 and 4, the two oldest having mild autism, while working part-time and studying, Krystal is proof that anyone can study.

“My time management, Evocca tutor and weekly goals have helped me come so far and achieve so much.”

Krystal’s tutor, Abdullah Yousuf, said Krystal is a hard worker who deserves all that she has achieved.



### **Esther Smith – Liverpool Community Services**

Esther Smith is a mum of eight children and is currently studying a Diploma of Counselling at Evocca College's Liverpool branch.

Earlier this year, Esther won the Aboriginal and Torres Strait Islander VET Student Awards at the South West Regional Finals, which recognised her strong understanding and knowledge of the vocational education and training system and the relevance of a lifelong learning for herself and her community.

"I'm passionate about my studies and the work I do in my local Aboriginal community, so to have that recognised is very special."

After her husband was diagnosed with prostate cancer, Esther left her full-time role as a disability support worker to take care of him. Before he passed way in 2013, he encouraged her to do something for herself and continue her studies. As a working mother she enrolled at Evocca College for its flexible learning.

"I've gained employment at Gandangara Aboriginal Land Council, and hope to graduate from Evocca College this November," Ms Smith said.

### **Lisa Rogers – Business Distance**

Lisa realised she needed a change after working as a Manager at a local supermarket, she began thinking about her life and where she wanted to be in 5 years. She decided she wanted to be working for herself, building her own dreams, not someone else's.

Now, Lisa has completed a dual Diploma of Business and a Diploma of Management through Evocca College. At the beginning Lisa never thought she could complete one assessment let alone two Diplomas.

"To be honest, at the beginning I never thought I could complete one assessment let alone two Diplomas, but I have. I am so proud of myself and I couldn't of done it without my tutor Hannike," said Ms Rogers

Still following her dreams, Lisa has started up her own business selling Jewellery, called Lucky's Avenue which is doing really well and keeping Lisa busy.





### **Bobbie Willmer – Caboolture Community Services**

Bobbie commenced her Diploma of Community Services Work at Evocca College's Caboolture location in February of 2013. Eighteen months on Bobbie has just submitted her final piece of assessment, completing her Diploma and will be graduating with her classmates in November.

Bobbie has achieved so much throughout her Evocca journey. She completed 200 hours of Vocational Placement at the Caboolture Neighbourhood Centre and as a result she is now running the Financial Counselling Service, including budgeting programs and client referrals. Bobbie also recently co-ordinated and organised the Cashopoly program at the Neighbourhood Centre as part of the Money Smart Week, which was a big success in the Caboolture community. She also undertakes administration tasks.

Bobbie has just been accepted into university to undertake a Bachelor of Forensic Science and Bachelor of Criminology, majoring in Criminal Justice.

“The people at Evocca, both students and staff are all completely different and are from different walks of life. When I first started with Evocca I was not confident, but with the support of staff, students and obviously the course I am studying, I have finally realised my potential and am running for my goals.”

“Without Evocca I would not have the amazing opportunities or support that I do.” said Miss Willmer

Evocca College has been so impressed with Bobbie's attitude and work ethic that she has been appointed a Student Mentor at the Caboolture Community Services Branch. In this role she encourages her fellow students to participate in events and motivates them to achieve.

Under the endorsement of Anne Oakley, Community Services Faculty Leader, Bobbie has applied to the Global Voice delegation. Bobbie is a high achiever

and has high expectations of her own capabilities and uses this to motivate and encourage others in a positive way.



