



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

**STANDING COMMITTEE ON EDUCATION, TRAINING
AND YOUTH AFFAIRS**

(Reference: [Vocational education and youth training in the ACT](#))

Members:

**MS M PORTER (Chair)
MR S DOSZPOT (Deputy Chair)
MRS G JONES
MS Y BERRY**

TRANSCRIPT OF EVIDENCE

CANBERRA

WEDNESDAY, 27 AUGUST 2014

**Secretary to the committee:
Mr A Snedden (Ph: 620 50199)**

By authority of the Legislative Assembly for the Australian Capital Territory

Submissions, answers to questions on notice and other documents, including requests for clarification of the transcript of evidence, relevant to this inquiry that have been authorised for publication by the committee may be obtained from the Legislative Assembly website.

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Amended 20 May 2013

The committee met at 10.02 am.

STENHOUSE, MR JOHN, Executive Officer, Office of the Board of Senior Secondary Studies

SOLLIS, MS KERRIE, Vocational Curriculum Accreditation Officer, Office of the Board of Senior Secondary Studies

THE CHAIR: Good morning, Mr Stenhouse and Ms Sollis. I welcome you this morning to the second hearing of the education, training and youth affairs committee's inquiry into vocational education and youth training in the ACT. We will be holding third and fourth hearings early in September with a number of groups and individuals who have made submissions on this issue. The committee has published nine submissions on its website and a copy of the committee's hearing program.

I welcome you as our first witness representing the ACT Board of Senior Secondary Studies. I draw your attention to the pink privileges card in front of you. Have you had a chance to read that?

Mr Stenhouse: Yes.

THE CHAIR: Are you aware of the implications contained in it?

Mr Stenhouse: Yes.

Ms Sollis: Yes.

THE CHAIR: We are being recorded today and we are being webstreamed as well. You will get a copy of the *Hansard* later so you can have a look at it in case you believe a word has been misinterpreted or something.

Would you like to make an opening statement?

Mr Stenhouse: Yes. I think it is probably important for me to ensure that the committee understand the responsibilities of the ACT Board of Senior Secondary Studies. The responsibilities are defined in a separate act. It is a separate entity to the Education and Training Directorate. Our major responsibilities are over the development of curriculum, the oversight of assessment and certification in terms of year 12 certificates and vocational certificates. Another responsibility we have is the provision of data to ETD, Catholic Education Office, Association of Independent Schools, but also, more importantly in relation to this inquiry, to NCVER. I apologise for the acronyms, because "VET" is an acronym in itself and it is full of other acronyms. NCVER is the National Council for Vocational Educational Research, and they collect what is known as the AVETMISS data every year, which is the Australian Vocational Education and Training Management of Information Statistical Standard data. So that is collected every year, and we provide that to them.

Essentially our role is curriculum assessment, certification and provision of data. We do not really have a direct role in exactly what is happening in the schools in terms of the delivery of the curriculum. In fact, much of the oversight of the VET area lies with

ASQA—the Australian Skills Qualification Authority. You are probably aware of all of this, but I thought it is good to be clear about exactly what we can talk about and what we cannot talk about.

Currently, we have 16 colleges, government and non-government, which are registered training organisations—RTOs—in their own right. So they are responsible to ASQA for the registration and keeping up the registration, but they work with us in terms of their assessment, curriculum and certification. From our submission you can see 19 accredited vocational courses are offered across those 16 colleges, the colleges which are RTOs. The ones which are starred are courses which can be counted in the calculation of the ATAR—another acronym, the Australian Tertiary Admission Rank. You are probably familiar with that one.

Ms Sollis: Another couple of courses have since come on board. Those are hospitality studies and tourism studies.

Mr Stenhouse: The assessment and vocational education is based on units of competence as opposed to grade descriptors. When students are being assessed in vocational education and training, the assessors or teachers or trainers, whatever you want to call them, are looking at what the students can actually do. To be marked as competent, you have to be able to perform a certain task consistently, not just once but consistently.

We also have a number of external RTOs which are not years 11 and 12 colleges but which offer vocational education and training. The largest of those would be CIT—the Canberra Institute of Technology, another acronym. What happens at the moment—this may change in light of the review of certification that we have just completed—is those organisations need to register with us. If they register with us, students who attain qualifications through those organisations—CIT is certainly the main organisation in this area—can be included on their year 12 certificates, which means that some of the qualifications are coming from vocational education and training outside of those school-based RTOs, which just increases the choice that students have. Some vocational courses are very resource intensive and very expensive to run, and schools could not afford to run them. By having these external organisations offer them, it just gives more choice for students.

In working towards their vocational certificates, students often have to do structured workplace learning. That means that the student is in the workplace and they are doing on-the-job training, on-the-job learning. Again, certain competencies can be assessed better in the workplace than in a classroom or a simulated environment. Structured workplace learning is a very important aspect of vocational education and training.

The number of students in recent years who have opted to take up the opportunity to do an Australian school-based apprenticeship 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 those 16 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 ASBAs appear on the 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.

A number of the school-based RTOs deliver qualifications to year 10 students. So, for example, Merici College or Daramalan College have year 10 students in their schools, so it is a very simple arrangement for them to be able to offer usually certificate I courses, basic courses, to their year 10s. That is a very good introduction for the year 10s to vocational education.

In the case of the government colleges, they offer vocational training to year 10s, and that is done by a memorandum of understanding with schools, usually within their local area. For example, Tuggeranong college might enter into an MOU with Calwell to do a cert I in automotive engineering. Again, it gives the year 10 students an opportunity to have a taste of vocational education and what it involves. That is happening in a number of areas. Hospitality is probably one of the larger ones, and IT and business. It has certainly been a growth area in recent years.

The BSSS has an assessment certification system which holds all the data that is entered by schools and by colleges on students' vocational achievements, and that data is used to generate the individual certificates at the end of year 12 for the students.

Something that is significant but not part of the submission because it has happened this year is that we have had a review of year 12 certification. For the first time in 40 years the board has been looking at the certificate as a whole. There certainly have been changes in 40 years, but the changes have been incremental. Things have been added but very little, to the best of my knowledge, has ever been deleted. During that time there have been occasions when the board has looked at changing the minimum requirements. As far as this review was concerned, we were charged with looking at everything. There were public consultations. A review committee was set up by the board, which contained representatives from a school community and tertiary institutions. We commissioned a research project from ACER—the Australian Council for Educational Research. They looked at the landscape nationwide in terms not only of vocational education but all certification in general. They also looked at about 12 to 13 countries overseas and provided us with information on that.

The committee used that information plus information from submissions and public consultations in their deliberations and came up with a set of 10 recommendations which were approved by the board at their meeting last week. One of these 10 recommendations refers specifically to vocational education, but there are other recommendations that relate not only to vocational education but to education in general.

If I first of all let you know about those more general recommendations, there is a recommendation that the study of a course under the English framework become a requirement for the attainment of a year 12 certificate. Previously there was no requirement for a student to complete a course in English to attain year 12. Having said that, 98.4 per cent of students last year who graduated did a course in English, so while it was not a requirement; it was something most students and most schools recognised as important. From the beginning of the year 11 cohort next year, that will

be a requirement for them. That is significant across the board, not only for vocational education, because we know it addresses, in part, issues relating to literacy.

A similar area the committee looked at was whether maths should be a requirement or not. Last year 92.4 per cent of students who gained year 12 certificates studied a course in maths. So you can see the numbers are quite different to what they were for English. The committee came up with a recommendation that the board strongly recommend that all students study maths but it did not go to the same extent as they did with English in making it a requirement. That was quite a contentious issue for the committee, and there was a very large divergence of views.

In addition to that, another recommendation asked the board through one of its subcommittees to explore online, on-demand adaptive literacy and numeracy testing, similar to what is being introduced in some other jurisdictions in Australia. “Online” probably does not need any explanation. “On demand” means that instead of the students all doing it at the same time in a large gym or examination room, students can do it at any time. An “adaptive” test or exam is one where the questions start at a certain level and if the student is succeeding in the first, say, four or five questions, it will get harder, or if they are not succeeding, it will get easier. The exam seeks to find the level at which the student is performing, in this instance in literacy and numeracy. Again, that relates to education generally, but I think also it relates closely to vocational education and training.

With the recommendation on vocational education and training, there are two parts to it: one part is that the board has asked its vocational education and training committee to look at simplifying the processes by which vocational education is recognised on the year 12 certificate. At the moment it is quite complex. The manner in which a certificate II that is delivered in a school is recognised in a year 12 certificate, for example, is not the same as the manner in which an ASBA certificate II is recognised. The committee felt there was a need for a more consistent approach to the recognition, and, in particular, to give more credibility or credence to some of the external qualifications being credited on the certificate. That is the first part of that recommendation.

The second part is that the VET committee has been asked to look at increasing the contribution that external qualifications can make towards the overall certificate. At the moment students are allowed to do as many external qualifications as they want and they will appear on the certificate, but only one of these can count towards the minimum requirements for the certificate. So what the VET committee will be looking at is whether it should be more than one that can count towards the minimum requirements or whether it should stay at one. That is still in the melting pot. It will probably be quite a few months before decisions are made about those matters, but, certainly, we would expect that when those decisions are made it will result in improvements in the way that vocational education is recognised on the certificate, which, I think, in turn results in improvements for all students who are studying vocational education.

That is all I would like to say. Of course, Kerrie and I are very keen to answer your questions.

THE CHAIR: Thank you. That was very comprehensive. I was interested in the provision of data that you were talking about early in your presentation. Is that data used in any way to decide what kind of accredited courses would be subsequently made available? You are saying that things get added to the list but that things do not get taken off the list.

Mr Stenhouse: Yes.

THE CHAIR: One wonders how long that can last for, that things keep on getting added in terms of resources, I suppose. What happens to this data? Is it just being collected for the sake of being collected? What is happening?

Mr Stenhouse: The data is used in a number of different ways. The data that we provide, first of all, to the schools certainly enables the schools to look at how successful they are being in the delivery of vocational education. As I said earlier, the regulation of schools and the courses that schools can deliver as nationally accredited training packages sit under ASQA, not under the BSSS. In terms of what courses schools might be offering, that is a matter for the schools and ASQA.

If a school believes that they have a student need to introduce a new training package, that is something that they would have to talk to ASQA about. ASQA would, of course, need to ensure that they not only had adequate resources to deliver that course but also the teachers who were trained to deliver it. So the data can be used for those purposes.

It could also be used for a school to look at the data and decide, “Perhaps we’re not really achieving very much with this course. The student demand has dropped off over a number of years.” Again, if they wanted to make a change, they would have to request ASQA to take it off what we call their scope, because RTOs have a scope, which is a list of courses they are able to deliver.

The data is also used for the National Centre for Vocational Education Research—NCVER—to set national policies in relation to vocational education. They are collecting data not just from schools but also from all RTOs right across the nation. It has an influence at the school level, or the school as an RTO, but it also has an influence at the national level.

Our remit is to provide the data. We do not offer advice on how it should be used. That is essentially up to the bodies that the data goes to. We also provide the data to ETD as well. Some of it will appear in annual reports. In strategic indicators, there is some data about vocational education. There is data about vocational education in relation to Aboriginal and Torres Strait Islander students. But, again, we are not expressing opinions; we provide the data to other agencies to draw their own conclusions from.

MR DOSZPOT: Thank you for that comprehensive introduction, Mr Stenhouse. It was very interesting. I would like to take you back one step—into the structure of the board. The information I have here, and perhaps you can elaborate on it, is that you have got quite a comprehensive board. Can you give us some background on the board and its function?

Mr Stenhouse: Yes. The board contains 14 members, who are appointed by the minister. They are nominated from a range of different organisations. For example, there are three principal positions on the board, one from the Association of Independent Schools, one from the Catholic Education Office and one from ACT Principals Association. There is a nominee from the directorate, who is really there in place of the director-general, because the director-general does not really attend the board meetings.

There is a place there for a nominee from the chamber of commerce. Of course, as we know, they have recently merged with the business council. So there will be some change in the act to accommodate that, because the various positions are specified in the act. There are two representatives from the tertiary sector, a representative from CIT, two parent representatives, one from the P&C council and one from the Parents and Friends Association. There is an AEU—Australian Education Union—representative. There is a Trades and Labour Council representative. There is a representative from the vocational sector. I have not been counting, but that is probably most of them, I think.

MR DOSZPOT: Okay.

Mr Stenhouse: You wanted more on the board's role?

MR DOSZPOT: I have a couple of questions: I note the ACT & Region Chamber of Commerce & Industry you mentioned is one, but the position is not currently allocated. How long has that position been vacant for?

Mr Stenhouse: It has been vacant since the April board meeting, so for the last three board meetings. With the amalgamation, we have certainly sent many requests to the chief executive of the chamber of commerce to give us nominees so we can put them forward to the minister, but because of staffing constraints, I believe they have not been able to do so. We are hopeful that with the amalgamation, which will result in us changing that part of the act, we will be able to get someone, because obviously there will be a bigger pool to draw from.

But what we are actually considering doing, instead of specifying a particular organisation when we change the act, is something more general, like a representative from the business sector. This means it could be from the newly formed—I am not quite sure what the name is yet—business council. But if we were in the situation where they did not have someone, it means that we could look further afield. There is a number of very well qualified people in the business sector who could fulfil that role.

MR DOSZPOT: That was the second part of the question I wanted to get to. It is a very comprehensive board that you have. They are obviously people from highly appreciated backgrounds and expertise. You have two union representatives on there. At the moment, there is only one business-related one, and that is the chamber of commerce. My question is: business obviously is a pretty important part of vocational education.

Mr Stenhouse: Yes.

MR DOSZPOT: So having an association representative is, I think, important.

Mr Stenhouse: Yes.

MR DOSZPOT: But also should you have an opportunity for perhaps a couple of more business-related people on there? Do you have power to increase the size of your board, or is it that something that has to be—

Mr Stenhouse: The minister would have that power. That would be something that would have to happen through the act. But can I say that, yes, there is the position for the chamber of commerce, which will have to change. The other position which essentially is a business position is a representative from the vocational education training sector. That is not filled by someone like a CIT person; it is a business person who is running a private registered training organisation.

MR DOSZPOT: It is still an education-related organisation. What I am suggesting—

Mr Stenhouse: That is true.

MR DOSZPOT: is opening it up directly—

Mr Stenhouse: But running as a private business.

MR DOSZPOT: Sure, but there are businesses that operate businesses, not educational RTOs—

THE CHAIR: It appears that this is a decision for the minister. So it is something we should raise with her.

Mr Stenhouse: Yes, it is not my—

MR DOSZPOT: I understand, Madam Chair, but I think it is relevant to our discussion.

THE CHAIR: It is not irrelevant. I am just suggesting that we need to raise it with the minister.

MR DOSZPOT: That will be one of my recommendations, but I am also wanting to have the input from Mr Stenhouse on the practicality of doing that. Even up until now, the chamber of commerce was one entity and the business council was another.

Mr Stenhouse: Yes.

MR DOSZPOT: In one sense both should have been on there. I guess the question I am asking—I understand you are not the one to make a decision—is whether we should seek your input on such an enlargement of the board to include more businesses.

Mr Stenhouse: It is always something that could be considered. The composition of

the board has changed over the years, but not greatly. Obviously you do not want to have a board that is so large that it becomes unwieldy.

MR DOSZPOT: Correct.

Mr Stenhouse: When I look at the size of some of the boards interstate in much larger jurisdictions, they are much smaller than ours with much less community representation. For example, I was looking at New South Wales a few days ago, just out of interest, because we are looking at making some amendments to the act. They had only seven or eight members on the board and no parents. I am sure there was not any business representation. I take your point and I think it is a good point. But certainly in comparison to other jurisdictions, I think the board that we have stacks up quite well.

MR DOSZPOT: Thank you.

MS BERRY: It was a very comprehensive statement that you made at the start, because it answered most of my questions that I had for today. But I wanted to talk a bit more about the kids who are accessing these VET programs in the schools. You talked about a recommendation that was being discussed about having more than one VET course forming part of their year 12 certificate.

Mr Stenhouse: Yes.

MS BERRY: Because not every kid is going to go to university, right?

Mr Stenhouse: Yes.

MS BERRY: Is there some sort of formula people are thinking about—for example, particular types of VET courses—or is this the start of the conversation?

Mr Stenhouse: I will clarify what we have currently. The minimum requirement for an ACT year 12 certificate—this is the standard certificate, not the certificate with the tertiary entrance statement—is that a student completes three courses from different course areas. At the moment one of these courses can be an externally delivered vocational course. So it is one of the three.

MS BERRY: Right.

Mr Stenhouse: One of the recommendations from the review committee is that the number of courses to meet the minimum requirement be increased from three. So if that was to become four or five or whatever, there is certainly a case there to look at whether we should then accredit more of the external vocational courses. If it increased to four, you might put forward the notion that perhaps we could count two of those on the certificate.

My opinion is that if you go over 50 per cent with external courses counting on the certificate—for example, three out of four—it does lead I think as far as the BSSS is concerned to some issues about quality assurance of the certificate and even the question as to whether it really is an ACT BSSS certificate because 75 per cent of it

would be external. In my opinion, the accrediting of anything over 50 per cent would not be advisable. But I think there is the opportunity to increase it.

Ms Sollis: Could I add something there? When John referred to the VET course, there is one VET course to meet the minimum requirements. You can still do two or three or four VET courses as long as you also have two other courses. So students can do the external courses that John mentioned and also, as he indicated, there are 19 different vocational courses that they can study in college.

Some of those courses are now what are called C courses. They are competency-based courses only. They are becoming more popular for students to do I think because teachers are now assessing one part of it, just the competency side. So students can do more than one VET course, but they have to have done two other types of courses as well.

MS BERRY: In respect of the external education programs for VET courses and the Canberra College with its CCCares program, can you tell us what vocational education is offered within that program? Is that the same in that college system as in the year 11 and 12 college system?

Mr Stenhouse: I was recently the principal of Canberra College. So, yes, I can answer that question. CCCares is a very interesting program. I think currently about 170 young parents are involved there with their children being looked after under an adjunct childcare arrangement. CCCares started to offer vocational courses to students probably about five years ago. At that stage it was working mainly through an RTO known as Access, which I think is an umbrella RTO for ACT clubs. It covered things like responsible service of alcohol, responsible conduct of gaming and hospitality—those sorts of courses.

The previous federal government, I think in 2011, introduced a scheme whereby funding was made available to parents on the single parenting benefit. A scheme was made available whereby they could access vocational training at no cost. As part of that arrangement, Canberra College, through CCCares, entered into an MOU with the CIT whereby the CIT would deliver vocational training in hair, beauty, child care and business. So at that stage, the vocational offerings available at CCCares increased dramatically and the training was done by trainers from the CIT.

That continued until the middle of this year, because one of the many things that the current federal government has changed is that that whole program has ceased. So that was a national partnership program. That 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, I guess, captive clientele. Anyway, it ceased right across the nation.

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 federal government. I probably cannot tell you exactly what stage they are at with that, but I know they are having discussions with me and are hopeful that there may be a budget bid in the future for funding which would enable those young people to maintain those same

offerings.

I think at the same time you would all be aware that there is a new building rising on the Woden campus of Canberra College. That building has a wing that is specifically dedicated to vocational education with a hair and beauty salon, commercial kitchens, a business enterprise facility. So it really would be a wasted resource in a sense if those offerings through CIT were not able to continue. I confess a conflict of interest.

MS BERRY: It is important to know.

MR DOSZPOT: Of course it is. I am a big supporter.

MS BERRY: It is a shame the funding has been withdrawn, because it clearly was quite successful.

Mr Stenhouse: But, admittedly, only in the ACT.

MS BERRY: Leading the way as usual.

THE CHAIR: We need to allow Mrs Jones to ask a question.

MRS JONES: That is fine. I have got a quick one. I understand that the VET courses are, once approved, registered with you. Is that correct?

Mr Stenhouse: Sorry?

MRS JONES: Once a VET course is approved, it then becomes registered with you?

Ms Sollis: That is one way we recognise it.

MRS JONES: And what I was wondering was: I know that there is a fair amount of freedom about vocational education in general. Once someone wants to put the work in to create a course which aligns with set outcomes—I did the cert IV in training and assessment, so I understand that process—is there any assessment of workplace shortages, skills shortages and any reverse engineering of what is offered to our students to get them a higher workplace outcome to get started in the workforce? If it is all one way, then are we training too many hairdressers and not enough child carers or what have you?

Ms Sollis: My understanding is that the Education and Training Directorate have put out a publication called *Skilled capital*. I do not know if you will be talking to them. I do believe they put in a submission. There was a submission from the Education and Training Directorate. That publication lists the areas of shortages and how their funding is going to be applied. For some of those certificates, it certainly can apply to students who have not yet gained their year 12 certificate or who have gained it at a low level. They have put the criteria into that publication. But that certainly lists the job shortages in the ACT.

MRS JONES: I guess it is a question for them, but does that information then get relayed to students as well? It is all very well and good to study it, but a lot of people

would be happy to go into an area where there is a shortage knowing they will be employed.

Ms Sollis: It is not our role but we would hope that, through the Education and Training Directorate, that information is supplied to careers advisers and transitions officers in schools.

Mr Stenhouse: As Kerrie rightly points out, that is not part of what we do. Yes, that work is happening elsewhere. TATE, training and tertiary education, is a branch of ETD. I imagine that you will be talking to them at some stage. I think, also at the national level, the National Centre for Vocational Education Research does similar work. But again, we provide data that those organisations use. We also collect data from other sources, including industry. Every vocational education course that is written as a national course has industry reps on it. There is a lot of activity that happens outside the sort of narrow slice of the vocational education world that we deal with.

MRS JONES: It is a great, modern system to be able to get skills requirements assessed and recognised fairly quickly.

Mr Stenhouse: Yes.

THE CHAIR: Mr Doszpot has a quick supplementary, and then we will need to go to the next witness.

MR DOSZPOT: As a supplementary on that, can we get some clarification on the role of the Board of Senior Secondary Studies in determining which additional courses for accreditation can be approved? What is the process? Do people apply to—

Mr Stenhouse: It is really up to schools and schools as RTOs to decide what best meets the needs of their students. The role that the board plays is that if a school wants to submit something for accreditation, we have a process whereby we will look at that. There are accreditation panels, and if it is a vocational education course there will be representatives from industry on that. If our panel recommends to the board that it be approved, the board would normally accept that recommendation.

But with courses in general, whether it be VET or anything else, it is not the board's role to go into schools and say, "We think you should offer this," or, "We are going to write a new course and you have to offer this." Curriculum ACT is essentially school based and school generated.

MR DOSZPOT: Just to get it straight, if there are a number of potential courses that your committee would consider, are you the final arbiter to say, "Yes, we think this is good but it may not be relevant"?

Mr Stenhouse: No. We are not assessing whether they are relevant or not. We are not assessing that.

MR DOSZPOT: Does your committee do that?

Mr Stenhouse: No. We are not assessing whether that school has a particular student group that would do the course. That is the school's business. We are assessing the educational quality of the curriculum as a curriculum document. That is our role. If the course is accredited, we are then responsible for overseeing the assessment that happens at the school and quality assuring that. So it is very much accreditation and certification assessment—nothing outside of that. We are not in the business of promoting which things should be taught in schools. That lies with things like the Education and Training Directorate, the Catholic Education Office.

MR DOSZPOT: Individually, I understand. I just wanted to know your specific role. Thank you.

Ms Sollis: Can I just add there that if a school had a group of students that wanted to do an external course or a competency, for example responsible service of alcohol, they can work with an external provider to do that and we certainly do then give them credit for having done that course. That is all done externally. We will recognise it, but we have no contribution at all to that course.

MR DOSZPOT: Has that got to be an accredited RTO, though?

Ms Sollis: No.

THE CHAIR: Thank you very much, Mr Stenhouse and Ms Sollis, for your very comprehensive presentation and also taking our questions. You will get a copy of the *Hansard*, as we explained before. You did not take any questions on notice, so there is nothing for you to answer. We can still submit questions on notice. If we get those to you, if you can get them turned around in as timely a manner as you possibly can, that will be terrific. Thank you very much for coming before us today.

Mr Stenhouse: Thank you.

Ms Sollis: Thank you for the opportunity.

DUDLEY, MR WILLIAM, private citizen

THE CHAIR: I apologise for keeping you but we do have a little time after this because one of the witnesses is going to be a little late. So we can still give you the time that we promised. I would like to welcome you here today to the hearing of the education, training and youth affairs committee into vocational education and youth training in the ACT. This is the second lot of hearings that we are having today. We have got nine submissions on the website and a copy of the committee's hearing program.

Also, this is being recorded by Hansard and webstreamed. You will be able to get a copy of the *Hansard*. We will provide that to you afterwards so that you can look through it to see if there is anything that has been misinterpreted from the voice recording.

You have a privileges statement there before you, which is on a pink card. You may have got that previously provided to you by the secretary.

Mr Dudley: Yes, I think I did, thank you.

THE CHAIR: If you would like to say whether you understand the implications of that statement?

Mr Dudley: Yes, I do understand the implications, thank you.

THE CHAIR: Do you want to make an opening statement?

Mr Dudley: Yes.

THE CHAIR: If you would do that, please.

Mr Dudley: Thanks very much. I am appearing as an individual and also as a parent of past students of Canberra Institute of Technology. I do have an opening statement, which I would like to make, thank you.

Thanks very much for the opportunity to address the committee. I provided a submission to the committee to express my concerns about the high fees being charged by the Canberra Institute of Technology for some of their vocational education courses. My specific concerns relate to CIT's two-year full-time course for an advanced diploma of graphic design. I would like to provide you with a brief update on the issues raised in my submission and highlight my main concerns.

Last year CIT increased fees for graphic design and one other vocational course to the point where students are looking at a debt of around \$27,000 for a two-year advanced diploma course that previously cost a fraction of that amount. My son commenced the graphic design course at the beginning of last year. He recently left the course after 1½ years, having completed the requirements for a diploma of graphic design, and has now commenced study at the University of Canberra, where the fees are considerably lower.

When my daughter did the same CIT course a few years ago, she paid just over \$1,100 in total, which included fee concessions. The explanation given to me for the fee increase last year was that CIT have had funding cuts from government. So they have decided that they should start charging commercial rates for some courses.

One of the problems I have with this is that there appears to be no logic or defensible basis for what they have done. Their course for the advanced diploma of graphic design now appears to be the most expensive TAFE course of its type in Australia. Not only is it dearer than any comparable course at other TAFE colleges but it is dearer than the three-year degree course in graphic design at the University of Canberra.

Included in my submission was a table comparing TAFE courses and fees for graphic design around Australia as at September 2013. I have since updated this information and included it in a submission to the commonwealth Senate in March this year for their inquiry into technical and further education in Australia. I understand you have been provided with copies of the updated table. My full submission to the Senate inquiry and the record of my evidence are available via the Senate website.

Related to my concern about CIT's high fees is the operation of the VET FEE-HELP scheme which is administered by the commonwealth government. This scheme accounts for nearly \$4,500 of the \$27,000 debt incurred by students undertaking CIT's advanced diploma of graphic design. The 20 per cent loan fee charged under VET FEE-HELP is quite onerous and unreasonable. There is no comparable loan fee charged to university students who use HECS help. The Senate inquiry, which concluded in May this year, recommended that this loan fee be reduced significantly.

All Australian states and territories, except the ACT, now have access to VET FEE-HELP for subsidised students, and those students do not pay the 20 per cent loan fee. However, graphic design students in the ACT continue to be full fee paying and continue to be charged the 20 per cent additional fee. I understand this may change in 2015. CIT is also conspicuous with its lack of a concession rate for fees for concession cardholders, unlike all other jurisdictions.

In conclusion, high fees are a real disincentive for young people to try to improve their education and I believe CIT's current fee regime is unreasonable. Thank you again for the opportunity to speak about my concerns.

THE CHAIR: Thank you, Mr Dudley, for that explanation and bringing us up to date. You mentioned your daughter did this course previously and she completed it successfully, and you said she had access to a concession. You were talking just now about the fact that concessions were not available, so what concession did your daughter obtain?

Mr Dudley: She was in receipt of youth allowance when she was doing the course. As a result, she received a 50 per cent concession in the fees being charged. To give you an example, she did the course from 2007 to 2008. Her semester fees were of the order of \$500 to \$600, and then that would reduce by 50 per cent. So her total fee was about \$1,100 for the two years.

THE CHAIR: I am still a little bit unclear. When you said there are no concessions available now, there are still some concessions that your daughter obtained? Or have they done away with all of those concessions since?

Mr Dudley: For students who are doing the full fee paying courses, CIT does not offer any concession of any description.

THE CHAIR: Now?

Mr Dudley: Now.

THE CHAIR: Right. But it did previously when your daughter was there?

Mr Dudley: Previously they did not have that full fee paying regime.

THE CHAIR: So the whole picture has changed, that is what you are saying, Mr Dudley?

Mr Dudley: Indeed, yes.

MR DOSZPOT: Mr Dudley, I am aware of the issues that have concerned you for quite a while. I think you made representations to my office as shadow minister for education.

Mr Dudley: Yes.

MR DOSZPOT: We made representations on your behalf, as you are aware. I commend you for the work that you have put into this. It is very important for us to be aware of areas where we need to examine what our educational institutions are doing.

Mr Dudley: Thank you.

MR DOSZPOT: In my endeavour to look into this further on your behalf—I am going from memory here, this is quite some time ago now—if I recall correctly, I was told in the hearing where I posed these questions to the individuals from the CIT who were giving the evidence on something else indicated that they were in contact with you and that your concerns had been addressed. Looking at your submission, the impression I get is your concerns have not been addressed. I just need to clarify: have you been contacted by officers from the CIT to discuss this individually with you?

Mr Dudley: You are correct that my concerns have not been addressed. I looked at the proceedings from a hearing that was held, I think earlier this year, with this committee and representatives from CIT, and I did not agree with some of what was said where the implication was that an offer had been made to meet with me and I had declined that offer. That is not correct. An offer had been made to meet, and I had not taken up that offer at that time and had left it in abeyance.

My wife and I met with some people from CIT about the middle of last year when we first became aware of the extent of what we saw as a significant problem. We did not

feel the issue was dealt with particularly satisfactorily, but the people from CIT stated their position and some of the rationale for the enormous increase in the fees. At that stage there did not appear to be a lot to be gained by trying to take it any further.

I did make a further representation—I think it was late last year. Again, in the absence of the substantive head of CIT, Adrian Marron, the feeling I got was that the matter was not really progressing. I have considered taking it up with Adrian Marron since he returned to his role earlier this year, but, in the meantime, we have reached a point in consultation with our son where we felt there was no value in him continuing with that course, and that is why he left recently. By avoiding the last semester, which he would have been doing right now, he is avoiding \$12,000 in fees, and he can go to the University of Canberra and get a degree for about the same amount of money he would otherwise be incurring just for this last six months. At that stage, I did not feel compelled to continue the discussion.

MR DOSZPOT: To put finite dollars on it, you were saying that the advanced diploma graphic design course was \$27,000 for a two-year diploma. The exact equivalent of that from the University of Canberra would be how much?

Mr Dudley: If a person was to start from scratch for the three-year degree in graphic design, it is just over \$18,000, as I understand it. My son will receive one year credit towards that degree course from the diploma he received over the last year and a half.

THE CHAIR: It is not apples and apples, is it? It is apples and oranges. So one is a degree course and the other one is a diploma course.

Mr Dudley: Indeed.

THE CHAIR: So it is not the exact same course; it is actually a higher level course being offered.

MR DOSZPOT: A diploma course is a higher level course.

Mr Dudley: No, the degree at the University of Canberra would be considered a higher qualification.

THE CHAIR: A higher qualification than the one that was offered.

MRS JONES: At a lesser cost.

Mr Dudley: At a lesser cost.

THE CHAIR: It is being offered at a lesser cost than the one on offer at the CIT?

Mr Dudley: That is correct. But part of the reason that it is a lesser cost, but certainly not the only reason, is that there is no 20 per cent loan fee for students studying at university.

MR DOSZPOT: Are you aware of how many classmates your son had at the CIT? How many people attended the course?

Mr Dudley: I understand there were two streams. In the stream he was doing, the last time I asked him about it there were about 11 students left in the group. I recall there were some higher figures mentioned by people from CIT in the estimates hearings last year. I do not think the numbers were actually as high as they might have had in mind. The numbers are relatively small.

MR DOSZPOT: Are you aware of how many students are attending the course at the University of Canberra?

Mr Dudley: No, I do not know.

MS BERRY: Thank you, Mr Dudley. I have some questions about affordability. Graphic design is a vocational study and it is essentially putting this course out of reach for many students, would you not agree?

Mr Dudley: Yes.

MS BERRY: So your kids are working in the field now?

Mr Dudley: My daughter is working in the field.

MRS JONES: His son is still studying.

MS BERRY: During estimates last year, Ms Dodd said that people with this qualification will get a job. Did your daughter find it easy to get a job in the ACT?

Mr Dudley: She gained employment relatively easily, although I do not think people should assume it is a simple process to get a job as a result of doing this CIT course. I think she was fortunate; she started off in a small printing company not necessarily using the full skill set she might have gained from her studies, but it was a stepping stone to other positions that she held subsequently. But I do not think people should get too carried away with the prospects for employment and simply say, "Well, it doesn't matter if students incur a big debt because they'll soon be in well-paid jobs." Even when they get jobs in this field, in general, they are not particularly well paid.

MS BERRY: Do you know the level at which kids are being paid?

Mr Dudley: I could not be sure about this, but I think of the order of \$60,000 a year, if not in the high 50s. That is a level probably barely enough to trigger repayment of the FEE-HELP loan for those who are now incurring that debt. That is a concern, because if that loan is not paid off relatively quickly, it is indexed currently to CPI and, as you are probably aware, there is discussion about indexing it to a higher percentage. For some students, particularly if they incur the full \$27,000 debt, their debt could grow considerably and take a long time to pay off.

MS BERRY: How did your daughter's classmates find getting jobs from your experience?

Mr Dudley: I do not really know. I am not aware of a lot of difficulties, but I do not

know the detail.

MS BERRY: I know I am asking questions you might not know the answer to, but do you know if there is job security in the ACT for graphic designers, or is it a transient workforce, from your experience?

Mr Dudley: My daughter has been fortunate to obtain jobs without a great deal of difficulty. She had a good job at the *Canberra Times* after working at the printing company, and she is now working for Engineers Australia, which, again, is quite a good job. But I could say with some bias as a parent that she is also very talented and able to get those good jobs.

MRS JONES: She must have worked hard, if she is like her father.

MS BERRY: That is right. You talked about the VET help that is flagged to change. Do you think that will reduce course costs for graphic design students?

Mr Dudley: I do not think it will reduce the costs in the ACT. I think CIT need to have a good look at how they are managing these courses under the VET FEE-HELP regime. Over the past two years, there were only two courses: there was the graphic design diploma and advanced diploma and international hotel and resort management. I see from the current CIT website there are now a couple of other courses, although none of them finish up with the same level of debt as the graphic design course.

The change that has happened over the last year or so with all other jurisdictions is that they have made arrangements with the commonwealth government so the VET FEE-HELP can be accessed by students who are doing subsidised courses. All other courses in Canberra at CIT are subsidised by the government; it is just this couple of courses which are the full fee paying courses. If CIT choose to have some subsidisation of courses like graphic design, those students will avoid the 20 per cent loan fee, as I understand it, so there is scope for significant reduction. I think CIT need to have a look at how they structure their fees overall. To me, there seems to be an unreasonable impost on people doing a couple of courses.

MS BERRY: Do you know how many courses are at the same fee level as the graphic design course? Is that the highest fee?

Mr Dudley: The graphic design course is the highest. When I say \$27,000, that is including the 20 per cent loan fee, of course, but most students would not be in a position to pay the upfront fees. The upfront fees without the loan fee would be \$22,440. The international hotel and resort management course for the two years full time—the same period as the graphic design course—the fees are approximately \$12,000, and then you add on the 20 per cent. Another course has been added recently to do with photography. Off the top of my head, that is of the order of \$16,000, to which you would then add the 20 per cent.

MRS JONES: I just have a supplementary to that, if that is all right.

THE CHAIR: Yes.

MRS JONES: Are you concerned that, because graphic design is seen as a qualification which has more of a capacity to have a faster, more secure entry into the workforce, whether that works for individuals or not, this course potentially is being charged at a higher rate than its actual delivery cost? And have you had demonstrated to you what the delivery costs are? We can accept that there is a mismatch between the university cost and the two-year diploma course, and that is a problem we need to consider as well, but as far as the actual cost of this course in isolation is concerned, have you had demonstrated to you that it is a cost-recovery process?

Mr Dudley: That was a point that was discussed with the people we met with from CIT. One of the things they said was that it was basically worked out on a cost-recovery basis. That was not demonstrated to us.

MRS JONES: No.

Mr Dudley: I have doubts about that. When you look at the breakdown subject by subject for the diploma part of the course, pretty much every subject is charged at \$660 for the subject. Some of those subjects are five times as big as others when you look at the associated workload. When you look at the website, they have a column saying how big each subject is. It seems to me that a figure has been arrived at; then that has been divided by the number of subjects, paying no attention to the relative sizes, complexity and whatever with each subject. It seems to have been done in a very crude manner to me.

MRS JONES: I wonder, for the committee, if we can consider recommendations in the demonstration of cost. But that is just something for the *Hansard*. Do you want to finish your question?

MS BERRY: Yes. Has a reason been given to you for an increase for that amount of money towards a course like that? What students are they trying to attract? Clearly, not low-income students.

Mr Dudley: This is one of my concerns. I think, in general, the students are not aware of what they are getting themselves into. That was certainly the case with my son at the start of last year. It was not helped by way the billing was done by CIT. My wife and I, as parents, naively assumed things would have been more or less as they were when our daughter did the course—that the fees would not be enormous. When the first invoice came, it was for—I have got it here somewhere—something like \$1,000, or it might have been \$2,000, which was the sort of figure we expected. That was in January last year. Soon afterwards our son received a text message saying, “Please ignore that invoice; it’s a mistake.” He then received another one, a week or so later, saying it was \$4,000. When the final invoice came, it was \$7,000 for six months.

That is what triggered me looking into it and writing to the head of CIT to say: “What’s happened? How can it possibly be this much?” That was after we had visited the student hub to ask questions and it was clear the people there had no idea about the new fee structure. They came up with explanations like, “Oh, he must have been incorrectly charged as a foreign student.” There was clearly no understanding of it.

My point is that I do not think the students knew what they were getting into. To the

extent that they did, I do not think they understood that they were signing up for a course which was far and away more expensive than any other course they might have considered doing. From my son's point of view, he went to an information session. They spoke in glowing terms about the course. They said: "You get a free computer. You get various things." Nobody said to them, "And you understand that you will incur a debt in total of nearly \$27,000 and you'll have to pay this back for years to come." That discussion did not happen. Part of my concern is that I think, even now, students are signing up to that course without understanding either that it is very expensive or that, compared to other courses they could do, it is very expensive.

MS BERRY: That just goes to the point that the chair was making before, and I just want to clarify it. For less than half of the amount that you pay at TAFE, you can get a higher qualification at university?

MRS JONES: But with an extra year.

MS BERRY: But with one extra year of study.

Mr Dudley: A three-year course. As was mentioned, it is not comparing like things.

MS BERRY: Yes, sure.

Mr Dudley: But in terms of the choices that a young person can make coming out of college, they need to weigh these things up and decide, "Do I want an \$18,000 debt with a three-year degree versus the option of CIT?"

MS BERRY: And with a job of around \$50,000 to \$60,000 to be able to pay that off.

Mr Dudley: Indeed. And there were other sorts of issues for us. When I was looking at what happens in other jurisdictions, last year, if our son had been undertaking an advanced diploma of graphic design in New South Wales, the basic course fees were much lower than the ACT, but as a recipient of youth allowance, he would have paid \$106 per course. So he would have done a certificate IV for \$106, followed by the diploma for \$106—actually, last year it was \$100—followed by the advanced diploma for \$100. So across the border, it is \$300; in the ACT, it is \$27,000. It just did not make a lot of sense.

MRS JONES: It is almost as though they do not want to deliver the course.

THE CHAIR: Mr Doszpot had a supplementary.

MR DOSZPOT: I have a supplementary which basically touches on what you have spoken about. In your extensive examination of the discrepancy between ACT and just about any other jurisdiction, according to your figures that I am looking at here, we are far and away the highest jurisdiction of any state or territory in Australia.

MRS JONES: Highest cost? Is that what you are saying?

MR DOSZPOT: Yes.

Mr Dudley: Certainly that is the information that I put together. I should say that it is a changing scene.

MR DOSZPOT: Sure.

Mr Dudley: Between last year and this year other jurisdictions have increased some fees markedly, and some of them have introduced full fee paying options. Indeed, that is the case in New South Wales now. But as well as having a full-fee option, they have concession options and they have courses which are government subsidised. So there are some choices there, and it depends on the circumstances of the individual. The ACT right now continues to only have that full-fee option.

THE CHAIR: No other choices. Mrs Jones.

MRS JONES: I have covered the questions that I have, thank you.

THE CHAIR: Ms Berry, did you have any more questions?

MS BERRY: Maybe just to ask if Mr Dudley has anything else that he wants to add that he might have thought about during—

Mr Dudley: There is just one thing I was prompted to mention. I did make passing reference in my submission to some of the mistakes on the CIT website, and there continue to be some issues there, although I should add that they have improved the information on their website. But just on the subject of errors from CIT, funnily enough, as I was coming here this morning, I picked a letter out of the letterbox from CIT which is a commonwealth assistance notice, which is a statement of moneys owed from a course, for one of the subjects which was done starting in March this year, which has been invoiced previously. I do not know why they do this, but the requirement, according to the commonwealth government in their booklet about VET FEE-HELP, is this. It clearly says:

Your approved VET provider ... will send you a CAN—

commonwealth assistance notice—

within 28 days of the census date of each study period ...

CIT has never managed to send a commonwealth assistance notice within the 28 days. Today's effort, dated 26 August, for courses with a census date of 18 March, just adds to my stress in dealing with them and trying to work out why they continue to make these sorts of charges. It just creates stress and unnecessary work. I do not know why they do it.

THE CHAIR: Mr Doszpot.

MR DOSZPOT: Mr Dudley, obviously you have prepared a lot of information, and the committee will have a look at this in very close detail. I just have a question to you. When you say you have contacted CIT and other people, have you ever sought to have a meeting with the minister for education on this?

Mr Dudley: No, I have not.

MR DOSZPOT: Have you written to the minister for education?

Mr Dudley: I do not think I have written to the minister. I have seen the minister's comments in the estimates discussion last year, which gave me a reasonable feeling for her views on the subject. I think I may have had some representations made through you to the minister, but I have not contacted the minister directly.

MR DOSZPOT: Thank you.

THE CHAIR: Any more questions or clarifications? Thank you very much, Mr Dudley.

MR DOSZPOT: Can I just add something?

THE CHAIR: Yes.

MR DOSZPOT: Having had the opportunity to talk to us here this morning, and you have added a bit of a postscript on what happened this morning as well, is there anything else that you wish to say now on record while we are here, or do you feel you have covered everything in detail?

Mr Dudley: I think we have covered everything, thank you. My main concern would be for CIT to have a review of how they are structuring their fees. There may be changes that are coming anyway, and it is of less direct concern to me now that my son has opted out of this course. But it is a concern for students who continue to sign up, and CIT actively advertises on Facebook and at various places. I would like to see them do a review. It would be good if they could at least share the load of their course fees a bit more equitably than they appear to be doing at the moment.

MR DOSZPOT: Thank you.

THE CHAIR: Thank you very much, Mr Dudley. As I said before, you will get a copy of the *Hansard*. If there is something in the *Hansard* that makes you believe that you have not been interpreted correctly, could you let us know. We have not taken any questions on notice. However, members of the committee have still got an opportunity to put questions on notice to you if they so desire. If so, could you turn those around as best you can. We will be reporting at the end of this inquiry and making some recommendations. You will get a copy of that report once it has gone through the usual process. Thank you for appearing before us today, Mr Dudley.

Mr Dudley: Thank you very much for the opportunity.

THE CHAIR: Best wishes to your daughter and your son in their endeavours.

Mr Dudley: Thanks very much.

THE CHAIR: We now need to adjourn.

Meeting suspended from 11.24 to 11.58 am.

ORR, DR DIANNE, Deputy Chief Commissioner and Commissioner, Compliance, Australian Skills Quality Authority

THE CHAIR: Welcome to this hearing of the education, training and youth affairs committee into vocational education and youth training in the ACT. This is the second public hearing of this inquiry, and there will be hearings at a later stage. The committee has published nine submissions on its website and a copy of the committee's hearing program. We will be also publishing the *Hansard* after this. You will be able to check the *Hansard* and let us know—we will send it to you—if there are any errors in the *Hansard*.

Thank you very much for coming before us as the Deputy Chief Commissioner and Commissioner, Compliance, Australian Skills Quality Authority. We have until 12.45. That is your time frame. Have you read the privileges card that is before you, the pink card?

Dr Orr: Yes.

THE CHAIR: You are aware of the implications?

Dr Orr: Yes.

THE CHAIR: Would you like to make an opening statement?

Dr Orr: Just a very brief one. 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.

We are a relatively small agency. We are a statutory agency of the commonwealth. We have three commissioners who are legally the entity that is the Australian Skills Quality Authority. The three commissioners have deliberative functions as regulators as well as executive functions in the organisation. For example, our chief executive officer is the chief commissioner. He wears the two hats. We have three commissioners. Chris Robinson is our chief commissioner, and he apologises for not being able to be here today. Our third commissioner is Michael Lavarch, who is based in Sydney. He is the commissioner of risk analysis and investigations.

ASQA is a risk-based regulator and is moving more and more towards being a risk-based regulator as opposed to a regulator that deals with applications on foot, a permission-based regulator. In doing this, ASQA has implemented a risk model and uses that risk model to target the areas of risk in the system.

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.

We have a complaints unit that receives complaints. The complaints provide us useful intelligence about where there may be issues in the system. Trends over time in those complaints can give us a useful picture. We have an industry engagement team who engage with industry to ensure that the most recent changes to training packages are, indeed, observed by our auditors in their work. We have a risk assessment team who receive applications and make risk assessments.

That is a bit of a snapshot of who we are as an organisation and the work that we do in regulating training organisations across Australia. I might leave it at that.

THE CHAIR: Thank you very much. With regard to the risk-based model, could you explain to us what you believe the risks are that you need to address? You also talked about the complaints section. Could you give us some idea of the quantum—not the actual figure but an estimated quantum—of those kinds of complaints and whether they fall into any particular categories, like most frequently complained about things? And do people actually write to you to compliment you, apart from complaining about things?

Dr Orr: In terms of our risk model, we have a number of criteria that are used to calculate—that is the best word—a risk rating for the RTOs that we regulate. Those criteria include more predominantly the audit history of a registered training organisation, in other words, their compliance history to date, do they have a history of noncompliance with the standards, that sort of thing. We also look at their size as an organisation, their location, their geographic spread, the qualifications that they are delivering. A number of factors like that are analysed for each registered training organisation and used to calculate a risk rating of high, medium or low.

We would have to say that predominantly the providers in our system are low risk. I do not have the exact split across low, medium and high with me today, but I am happy to provide you with those percentages following the meeting.

THE CHAIR: That would be terrific.

Dr Orr: 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.

The Productivity Commission published a report about aged care in Australia and in that report identified that in regard to the quality of training for aged care workers, whose numbers were on the increase and for whom government funding was increasing, there were some real issues with the quality of the training of workers and intending workers in that industry. So we decided to do a strategic review into the training for workers in the aged care sector.

The white card strategic review resulted from some intelligence that we had from employers who were saying that people that they were seeing with white cards and who were coming onto their sites obviously did not have the skills that were required and started questioning the quality of the training. There were enough significant complaints made to ASQA that we decided that we would go and have a look at training in this area as well.

In the marketing review I mentioned, we looked at the marketing and drew some conclusions about whether or not RTOs that were sampled for that particular review were, indeed, marketing in accordance with the standards, which says that it has to be clear marketing with integrity, advertising that does not confuse people. Those three reviews are an example of targeting particular areas in the system.

We use a methodology for the reviews that involves the establishment of a steering group of industry representatives who provide advice on what is happening in the industry, what is happening with training in the industry and also preside over the report that is published. We do a compliance audit of a sample of RTOs. We do not audit all of them but a very good sample of them to see what the compliance issues are in those providers.

The methodology for the strategic reviews often includes a survey of employers to see what employers actually think of the graduates whom they are employing that have these qualifications. It is broader than just a compliance audit of an RTO. It looks more systemically at the issue. And we made a number of recommendations.

There were a number of, I suppose, key risks identified in the system as a result. For example, one is the very short time frame over which some of these certificates are being delivered—a certificate III in aged and community care being delivered in much too short a time frame. That was a pattern that we saw across all of those audits—a lack of workplace delivery of training when the training package qualification, in fact, requires some clinical placements for people in that particular area. And there was the quality of simulated workplace experiences that were provided for students.

These were some key risks. Not surprisingly, they also came up as risks in some of the other audits, in particular the white card which was being delivered in a very short time frame, often online, often with an online assessment. The particular risk we identified with that construction card, white card, audit in terms of the delivery of the assessment was that the assessment was being done online and there were very few providers who paid a lot of attention to the issue of the authenticity of the person actually submitting the assessment.

It calls into question the validity of the training and calls into question the validity of the assessment and the reliability of that assessment when those sorts of issues are not being taken into account. They are some of the key risks that we have identified through that strategic review process.

In terms of the complaints, I do not have the numbers in my head, but we receive two sets of complaints. The first is complaints about registered training organisations and the quality of their delivery. Those complaints are often from students who are undertaking the training and who have particular grievances with an RTO. We always say, because the national standards require it, “Have you exhausted the complaints processes of your training organisation?” They need to follow that process first and then we will have a look at that complaint. We risk assess the complaints coming in to us and make a determination about the risk to the quality of vocational education and training.

Some of them are complaints which we, quite frankly, do not have the jurisdiction to deal with. They might be complaints about the quantum of fees or in an advertisement about fees that fees were not refunded. ASQA has no powers to compel a training organisation to refund fees. That is just one example.

Where we do have jurisdiction and we can deal with the complaint, we will do so through our complaints investigators, or it might be sufficient enough a risk to warrant an audit of a particular training organisation. Where there is a serious and credible risk to the quality of training and the impact on students and the industry, we will conduct an audit of the training organisations concerned.

The other type of complaint is a complaint about our processes, about ASQA. We do have a facility on our website where people can lodge a complaint. It might be a complaint about the way an audit was conducted. It might be a complaint about the time it has taken for ASQA to process an application, that sort of thing. We receive all of those complaints, register them. They are investigated by a central unit in our organisation, the governance, policy and quality unit, which reports directly to the chief commissioner, and a response is provided to the complainants after the investigation.

But, I will take on notice that you would like some information about the numbers of complaints and the types of complaints. And we can certainly provide that to you.

THE CHAIR: And times when you get complimented? Do you get people—

Dr Orr: We do. We do not mind getting those. Those bouquets are nice from time to time.

MRS JONES: Feel free to include the numbers of those.

MR DOSZPOT: Thank you, Dr Orr, that was a very comprehensive answer to Ms Porter’s question. As to the risk aspect, when you are examining noncompliance by RTOs—obviously there are various degrees of noncompliance—in the case of the most serious, what are the options open to you? Are you able to deregister?

Dr Orr: Yes, we certainly can. 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 noncompliances or demonstrate that those noncompliances 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 noncompliances—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 noncompliance. 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 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.

With each of those, the act dictates a particular sequence of events that must follow. We have to give notice of our intent to issue the sanction and give an opportunity for the RTO to respond to that notice of intent. If they cannot respond by becoming compliant, then the sanction is applied. Following that, they have the process of natural justice in terms of seeking a reconsideration of the decision or going to the Administrative Appeals Tribunal to seek a review of the decision.

MR DOSZPOT: So their form of appeal is to the admin tribunal?

Dr Orr: Yes. There is an internal review process, the first step provided for in the act. It is called reconsideration. How we manage that in ASQA, because I am the commissioner making the decisions, the other two commissioners sit as a review panel and they review my decisions when an RTO submits an application for reconsideration. It is not considered by the same decision-maker.

MR DOSZPOT: Who does ASQA report to directly?

Dr Orr: We, as I said, are a commonwealth statutory agency, an independent agency, but we report to the minister for industry, Minister Ian Macfarlane. We have a number of reporting accountabilities specified in our act. We report annually by producing an annual report to the Australian parliament. We have a number of other government reporting requirements by virtue of being a government statutory authority as well around a whole range of things.

MS BERRY: Once an RTO has been deregistered they might appear under another name but with the same people providing the training. How do you keep an eye on that? I guess they have to register.

Dr Orr: Yes.

MS BERRY: So how do you make sure that they are legitimate?

Dr Orr: Of course, the potential for just that practice exists. If their registration is cancelled by us, they can have another company and apply. We keep a list of names of the executives and high managerial agents of former registered training organisations and we check against that list when we receive applications. Some providers try to play the system and they will use different people but essentially it is the same operation. Sometimes it is very hard to know, but we have that list and we do check.

MR DOSZPOT: With regard to complaints that you receive—you have mentioned you cannot give us any direct answer to this question but you have taken it on notice, I understand—what level of detail can you give us on complaints you receive as to what the complainants are?

Dr Orr: We are talking here—just to clarify—complaints about quality in the system?

MR DOSZPOT: RTOs?

Dr Orr: Yes.

MR DOSZPOT: Have there been any complaints received about any RTOs?

MRS JONES: In the ACT

MR DOSZPOT: Sorry, of course, we are referring to ACT agencies only.

Dr Orr: Yes, I cannot say definitively, but I can provide you with those numbers.

MR DOSZPOT: In your introduction you mentioned that you have offices in every capital city. How does the ACT figure? Is there a separate ACT office?

Dr Orr: Yes, there is. It is at 64 Northbourne Avenue.

MR DOSZPOT: Really glad to hear that.

Dr Orr: We have a regional compliance manager, Sue Hepperlin, who formerly worked with the department here in the ACT

MR DOSZPOT: Yes, the name is familiar.

Dr Orr: We have located in our Canberra office some of our corporate functions and compliance functions.

MRS JONES: When you come back to us with information, can you also compare how we are doing now compared to the last few years? As a committee we are hoping to make recommendations if there are required changes in this area. Is the level of

compliance in the ACT improving or getting worse? Do you have any suggestions for us about the types of issues that are regularly coming up or that are particularly concerning to you? We obviously do not have jurisdiction over your whole area, but if the problem is training for RTO managers or something, if that seems to be a problem, we would like to know. There will always be, I assume, some rogue traders.

Dr Orr: Yes.

MRS JONES: Your system obviously tries to do the best you can to weed them out, but can you give us some feedback on various—

Dr Orr: Yes. I can describe to you one area nationally that we know is an issue—that is the quality of assessment. I would imagine there would be a similar pattern in the ACT providers in that area as well because it is a national trend that we are seeing. I am very happy to get that report compiled for you about the compliance over time of providers in the ACT.

MR DOSZPOT: I am not quite sure to what detail you can answer my question, but we have talked about complaints and the way you address those issues. If we are talking about the ultimate decision—that is, deregistering an RTO—can you tell us whether any RTOs have been deregistered in the ACT?

Dr Orr: We have done 91 audits of ACT RTOs, but these figures only go up to 30 September 2013, so I would like to update that for you and give you the most recent figures.

MR DOSZPOT: Sure.

Dr Orr: That audit activity led to us making eight decisions to refuse applications from ACT RTOs in that same period—July 2011 when we opened through to September 2013.

MR DOSZPOT: What does “refuse” mean?

Dr Orr: It means this is a provider who is a new entrant to the market, they have applied for registration and their application has been refused because they have not been able to demonstrate they comply with the standards.

MR DOSZPOT: So were they operators within this jurisdiction before or they have just made application to come to Canberra?

Dr Orr: No, they would have been RTOs located in the ACT. I do not have any figures with me on deregistrations, but I can take that on notice.

THE CHAIR: Did you say that you would update the information with regard to the activity beyond 30 September?

Dr Orr: Yes.

THE CHAIR: Thank you. The Senate education and employment references

committee reported on technical and further education in Australia in May 2014. Recommendation 3 is:

The committee recommends that resources and funding for the Australian Skills Qualification Authority be proportionally increased relative to the number of private providers entering the training market.

Do you have any comment about that?

Dr Orr: ASQA receive an appropriation from the commonwealth government for our regulatory activities. As you know, COAG made a decision that ASQA be fully cost recoverable. There was an increase in the fees—the second tranche of some increases in fees—for RTOs towards that target of full cost recovery. We have not embarked on the third tranche of increased fees because government has been conducting consultations with the VET sector over the past five months or so.

One of the issues raised in those consultations is the increasing cost to RTOs for regulation. So we have not proceeded down that path. Government, I know, is considering whether or not ASQA should proceed with that third tranche or whether or not it should increase its appropriation to ASQA rather than requiring it to be full cost recovery. The government is considering that. Effectively, that will mean the funding for ASQA's regulatory activity will be sourced from that appropriation and not from providers in the sector. No further fee increases is, I think, what the government is considering.

This particular recommendation goes to the proportional increase relative to the number of private providers entering the training market. I am unable to make a comment about that. We are funded for the regulatory activity that we do from the appropriation and from our revenue. The act does not make a distinction in terms of the types of providers—that is, TAFEs and private providers alike are subject to the same regulatory standards.

THE CHAIR: Thank you very much, Dr Orr. Ms Berry, did you have a question?

MS BERRY: Yes, I do, just a quick one. You talked about the numbers of RTOs we have in the ACT, in your submission and here today. What is the CIT's share of those?

Dr Orr: Number of providers?

MS BERRY: Is CIT—

Dr Orr: That is one provider.

MS BERRY: Do you assess the CIT's programs?

Dr Orr: CIT has a delegation, so they have been able to add qualifications to scope under a delegated arrangement. That means they do not have to submit an application to ASQA every time they wish to add a qualification to scope. But they will be subject to a renewal audit when their renewal is due.

MS BERRY: Are there any problems there that have been identified?

Dr Orr: We have not actually done that renewal audit of CIT. I am just not sure when it is due to occur. We have done a number of renewal audits of big TAFE institutes in New South Wales; it is a similar process where we sample a number of qualifications across a number of industry areas, across a number of delivery sites, and test them against the standards and see what their compliance levels are.

MS BERRY: Previously you talked about some of the issues around RTOs doing assessments over the phone and over the internet. Are those the only sorts of things with a bad RTO, or an RTO that is deregistered, warned or whatever the process is? Are there other things that you identify with an RTO that makes them a risk?

Dr Orr: Yes. The blueprint, if you like, for training in Australia is the training package for a particular industry area or industry sector. Our standards require a training organisation to have facilities, staff and resources that will enable them to meet the requirements of the training package. The training package blueprint sets out what is required, what a competent person in that industry is, what the assessment criteria or the performance criteria are, the sorts of resources that would be expected to be used in delivery and the modes of delivery. They are all specified in the training package. When we audit a training organisation, we are auditing the provider against the standard, but we want to ensure that they are meeting the requirements of the training package.

One thing I would say to the committee is that the development of learning strategies, the development of assessment strategies, we find, often falls short of the requirements in the training package. Again, it is that whole training and assessment strategy and the practice of assessment that are the big-ticket issues in terms of non-compliances that we have found.

MS BERRY: Just regarding the CIT, you mentioned an audit. It is quite a large RTO in the ACT. Did you say you are about to commence an audit?

Dr Orr: I am not sure when their renewal is due. Registration lasts for five years, just to give you the background.

MS BERRY: Yes.

Dr Orr: The registered training organisation is required to apply for renewal 90 days before its due date of registration falls due. On receipt of that application, we would proceed to schedule and assign auditors to conduct the audit.

MS BERRY: Thank you.

THE CHAIR: You had a supplementary, Mr Doszpot.

MR DOSZPOT: I did. You have partially answered it. I was going to ask about the frequency of audits. I think you have said every five years, so that is fine. When you get back to us on the questions taken on notice, could you let us know when the last

audit of the CIT was conducted, which will then let us know when the next one is due?

Dr Orr: Let me just clarify about the frequency of audits. 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.

So the two occasions when we do go and audit are initially and at the 12-month mark. The rest of our audits are done on a risk assessment basis.

MR DOSZPOT: In other words, at its registry period, particularly for an RTO, they may not necessarily get an audit?

Dr Orr: That is correct. And if they are submitting applications to change their scope, to add qualifications to their scope, they may not be audited at that time either. Those applications are risk assessed; if the provider is low risk and we do not have any reason to expect that there will be any quality issues, we will approve that without an audit.

MR DOSZPOT: My question then still stands as to when the last audit was conducted.

Dr Orr: Sure. I do not know, but I will certainly provide that to you.

MR DOSZPOT: Thank you.

THE CHAIR: Just to clarify, Dr Orr, if you have reason to believe there is a problem, you would go ahead and do an audit anyway?

Dr Orr: Yes. As I said, we assess risks associated with complaints and respond accordingly.

THE CHAIR: Thank you. Do you have any more questions?

Dr Orr: Sorry, just to clarify: we may have some intelligence from industry associations or from employer associations that there is a particular problem; that intelligence is also valuable to us in terms of the way our risk system works.

MR DOSZPOT: You have mentioned that ASQA has undertaken three strategic reviews focused on various community groups and industries. I am particularly interested in the strategic review on the aged and community care training, with ACT

in mind particularly. Is there any information you can give us on that?

Dr Orr: In the ACT?

MR DOSZPOT: Yes.

Dr Orr: I think there were some ACT providers included in the sample. The reports of those strategic reviews have been published by us. They are on our website. I am very happy to get a copy of that and provide that to you.

MR DOSZPOT: Excellent.

Dr Orr: Just as an addendum to that information I gave about those strategic reviews, the three that are currently being conducted, I did mean to inform the committee that at the moment we are doing one into childcare training, security industry training and also equine training. They are the three that we are targeting this year. Child care is again because of a Productivity Commission report about the quality concerns about training being delivered for childcare workers. With the security industry, a number of concerns by state regulators who regulate security workers have indicated some issues with training there. And we are doing equine because of some issues of concern about the safety and wellbeing of students, prompted by the death of a student in country New South Wales some years ago. So we are having a look at equine training.

MR DOSZPOT: Thank you.

THE CHAIR: That is across the whole equine industry, then, Dr Orr?

Dr Orr: Yes.

THE CHAIR: It is a fairly large industry.

Dr Orr: It is. It is from racing through to recreational trail riding to working with stock on properties. Yes, it is.

THE CHAIR: Very large.

Dr Orr: I understand that the reference group has met and is looking at where they should focus that particular review.

MS BERRY: Just a quick supplementary, if I may, chair?

THE CHAIR: Yes, Ms Berry.

MS BERRY: Just regarding the review that you are doing on all of those industries, you mentioned earlier in your submission today talking to employers about issues with regard to quality. I wondered, when you do these reviews, whether you open it up for employees to also tell you their experiences. And how do they get on to you to be able to do that?

Dr Orr: I believe that the methodology does include interviewing some graduates or

surveying graduates or current students. We have held round tables where we have invited former graduates and students to participate. I will get you some more information about how we provide that opportunity.

MS BERRY: Thank you for that.

Dr Orr: I am just not certain. I do not think we have a public submission process into those reviews, but I will just clarify that methodology.

MS BERRY: Thank you.

Dr Orr: It is not within my portfolio of responsibilities in the organisation, but I am happy to get the detail for you.

MS BERRY: Thank you.

THE CHAIR: Have you got any more questions, Mr Doszpot?

MR DOSZPOT: No, I think I have covered most of it.

THE CHAIR: I think that we have finished our line of questioning. I thank you very much for coming before us and giving us so much information. It has been really valuable. We do appreciate the amount of material that you have taken on notice. We have given you quite a substantial amount of information to get back to us on.

Dr Orr: That is fine.

MR DOSZPOT: Chair, could I just add that there may be a couple of questions that we will provide to you in writing.

Dr Orr: Yes.

MR DOSZPOT: But I will have to check on that.

Dr Orr: I am very happy to receive those.

MR DOSZPOT: Thank you very much.

THE CHAIR: Thank you. As I said before, you will get a copy of the *Hansard*. You have taken, as I said, quite a number of issues to go away and report back on, so we do understand there is an amount of work, but we would appreciate them in as timely a manner as you are able to provide them.

Dr Orr: Absolutely.

THE CHAIR: Thank you, again, for that.

Dr Orr: Thank you, chair, and thank you, members of the committee.

THE CHAIR: It has been a great pleasure to meet you and to work with you.

The committee adjourned at 12.42 pm.