

# Australian Catholic University

## *Review of the Vocational Education and Training (VET) Sector*

Submission to the Australian  
Government

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## *Review of the Vocational Education and Training (VET) Sector – Submission to the Australian Government*

### Summary

Australian Catholic University (ACU) is pleased to make this submission to the Australian Government to inform its review of the vocational education and training (VET) sector.

ACU is a public university with campuses in Sydney (North Sydney and Strathfield), Melbourne, Ballarat, Brisbane, Canberra, Adelaide and Rome (Italy). ACU has around 35,000 students enrolled in four faculties: Health Sciences; Education and Arts; Law and Business; and Theology and Philosophy.

The University has also offered VET courses since 1997, part of its strong commitment to workforce development and to supporting varied pathways into higher education. We consider that universities play a highly significant (but often overlooked) role in delivering VET, for the benefit of individual students, communities and the wider economy.

Having considered the terms of reference for the review, we address three issues in our submission:

1. The role of non-TAFE public providers;
2. Compliance and risk; and
3. Improvements to the VET Student Loans scheme.

Our recommendations are:

**Recommendation 1:** Government policies supporting publicly-provided VET do not draw an artificial distinction between TAFE and other proven public providers, such as registered training organisations (RTOs) operated by public universities.

**Recommendation 2:** The Australian Skills Quality Authority extends its risk-based approach to regulation, to narrow the focus on high-risk private VET providers and lift unnecessary burden from low-risk public providers.

**Recommendation 3:** The VET Student Loans scheme is extended to Certificate III and Certificate IV courses.

**Recommendation 4:** The VET Student Loans scheme recognises a student's transition to an undergraduate course as a positive "student outcome", for the purposes of assessing VET course success rates.

## 1. ACU College and VET

ACU delivers VET courses through ACU College, a registered training organisation (RTO) wholly owned and operated by the University. ACU College is registered to operate in three jurisdictions: Victoria, Queensland and the ACT. The College currently delivers qualifications through the University's campuses in Melbourne, Brisbane and Ballarat, as well as delivering courses with industry within public and private hospitals.

ACU College is supported by the broader University, providing access to office space, clinical simulation laboratories, library services and a range of other teaching spaces, amenities and student-related services and supports. ACU College also has strong relationships with prominent health, aged care and community services organisations, responding to national workforce demand in these sectors.

VET courses at ACU College cover: nursing; education; and aged care. The College has more than 1,000 students enrolled each year.

ACU College is funded through a combination of state government VET funding, federal funding through the VET Student Loans (VSL) scheme and student tuition contributions.

## 2. The role of non-TAFE public providers

As high-quality providers of education, public universities have a very important role to play in the delivery of VET. This stems from: their expertise and resources in teaching and learning; their partnerships with employers; and their ability to offer streamlined pathways from VET into higher education.

Restoring public faith in VET is essential, in the wake of scandals regarding course quality, student recruitment and outcomes in the period 2008-2015. Given the unconscionable conduct of some private VET providers, the responses of state and federal governments – imposing greater scrutiny of private providers and seeking to boost the standing of public providers – are entirely understandable.

However, in the ‘public versus private’ debate surrounding VET over the last few years, the role of university VET providers has been largely hidden or ignored. ‘Public VET’ has become synonymous with TAFE. While TAFE institutes should play a vital role in serving their communities (and in being publicly accountable for their services), they are not the only option for students seeking a public provider of VET.

### MARKET DISTORTION DRIVEN BY THE STATES

Regrettably, government policy in some jurisdictions now actively discriminates against non-TAFE public providers of VET. In Victoria, the Andrews Government last year promised “the biggest shake-up of vocational education and training in Victoria’s history”.<sup>1</sup> The 2018-19 Victorian Budget committed \$172 million to waive tuition fees for 30 TAFE courses and 18 pre-apprenticeship courses from 1 January 2019. These include:

- Diploma of Nursing
- Certificate IV in Education Support
- Certificate III in Allied Health Assistance
- Certificate III in Individual Support

The courses listed above are also offered by ACU College in Victoria – however, ACU College is not included in the free tuition scheme. This means there is now a two-tier system operating in Victoria, under which TAFE providers enjoy an insurmountable price advantage.

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<sup>1</sup> Pallas, T. (2018). ‘Victoria Budget speech’. Treasurer of Victoria. 1 May.  
<http://www.timpallas.com.au/parliament/victoria-budget-speech/>

Until the new Victorian Government policy, ACU College had been a leader in education and training in the Diploma of Nursing in Victoria, with more than 500 students enrolled. Nursing applications per year exceed 800, highlighting very strong demand for ACU nursing places.

Against this backdrop, the effect of the free TAFE policy has been immediate, and highly detrimental to ACU College. In the locations where we offer the Diploma of Nursing – Ballarat, Ararat and Melbourne – applications for 2019 have dropped markedly, with students instead choosing to enrol at TAFE. Even where ACU College has longstanding, effective partnerships with hospitals, they now feel financial pressure to switch to TAFE as a provider.

During the Victorian election campaign in November 2018, Labor announced that the free TAFE policy would also extend to the Certificate III and Diploma in Early Childhood Education and Care (from 2020), which are also offered by ACU College.

There are serious implications arising from this sudden shock to market diversity in Victoria. First, free TAFE courses are cannibalising existing demand for VET places. While the Victorian Government may claim that its intent was to increase total enrolments in VET, to this point, the effect has been simply to shift existing enrolments from non-TAFE providers to TAFE.

Adding to the internal inconsistency of the new policy, four universities in Victoria will be able to benefit from free TAFE. These are the four “dual sector” universities (RMIT, Swinburne, Federation University and Victoria University). Each of these institutions is able to offer free VET places (in the relevant courses) under the new policy.

However, two points should be emphasised: first, most universities in Australia also offer VET courses; and second, the status of “dual sector” institutions is a quirk of history, geography and politics.<sup>2</sup> There is no inherent difference between a Diploma of Nursing offered by Swinburne University and the same qualification offered by ACU College. The only clear difference is that, from 2019, Swinburne can offer the course for free, while ACU College cannot.

Put simply, non-TAFE public providers of VET in Victoria are being punished by a heavy-handed approach to propping up the TAFE sector. We contend that TAFE can be supported without destroying the hard-won market share of other public VET providers. Governments should treat reputable public VET providers, such as ACU College, the same as they do TAFE.

**Recommendation 1:** Government policies supporting publicly-provided VET do not draw an artificial distinction between TAFE and other proven public providers, such as Registered Training Organisations (RTOs) operated by public universities.

### 3. Compliance and risk

ACU recognises the challenge posed by the VET FEE-HELP rorts, and the consequent need for greater regulation of the VET sector. However, the legacy left by unscrupulous private operators – a regulatory regime imposing more red tape – is damaging the efficiency of proven public providers like ACU College.

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<sup>2</sup> Moodie, G. (2008). “Australia: The emergence of dual sector universities”. In Garrod, N. and Macfarlane, B. (eds) *Challenging boundaries. Managing the integration of post-secondary education*. New York: Routledge.

### THE COMPLIANCE BURDEN

Under the federal VET reforms of the last few years, ACU College has been required to invest heavily in compliance and reporting activities; this comes at the expense of greater investment in meeting the direct training needs of industry partners and students. For example, opportunities to invest in developing new courses to meet industry requirements are constrained, due to the level of investment required to report and document intricate details of how courses are delivered.

We recognise that the Australian Skills Quality Authority (ASQA) does consider risk profiles in its regulatory work. However, ASQA could go further in its risk-based approach to regulation, to lift the burden on high-quality public providers of VET, who are deemed low-risk.

While a compliance and regulatory framework is necessary, a more balanced risk profile would lift some of the compliance burden from reputable RTOs, allowing them to invest more in new technologies, student engagement models and courseware to support students and the training needs of industry partners.

**Recommendation 2:** The Australian Skills Quality Authority extends its risk-based approach to regulation, to narrow the focus on high-risk private VET providers and lift unnecessary burden from low-risk public providers.

## 4. VET Student Loans

### ACCESS TO VSL

The VET Student Loans (VSL) scheme provides an opportunity for students to delay the payment of fees by taking out a loan. While the scheme is highly effective in supporting students who could not otherwise afford to study, it is open only to Diploma and Advanced Diploma qualifications. Those studying entry-level qualifications (Certificate III and Certificate IV) must pay tuition fees up-front, or rely on state government subsidies (which vary greatly across jurisdictions).

As a result of VET funding cuts in some state and territory budgets, VET tuition fees are rising and many students are struggling to make the up-front payments for entry-level courses. The opening of VSL to all courses would ensure all students have access to the same opportunities as those studying at Diploma/Advanced Diploma level.

We are aware that there are currently pilot projects in place, offering VSL to select certificate-level courses, and we support the extension of this approach nationally.

**Recommendation 3:** The VET Student Loans scheme is extended to Certificate III and Certificate IV courses.

### TREATMENT OF PATHWAY PROGRAMS UNDER VSL

The VSL scheme has a strong focus on employment outcomes for students. While this is appropriate, the scheme does not adequately recognise pathways from VET into higher education.

Providing pathways from VET to higher education supports access and equity to all levels of education. Pathways provide an access point that would otherwise be very difficult for some people to attain, and they should therefore be valued and supported by governments.

It is worth noting that designated pathway courses often involve greater costs for the course provider than a “standard” course; nonetheless, pathway courses receive no greater funding from governments.

Critically, the guidelines for the VSL scheme do not recognise pathways to undergraduate courses as a “student outcome” in VET. This has the effect of excluding some courses from VSL, based on poor employment outcomes. In our view, the Government should consider adopting the Victorian approach, which values VET pathways into higher education as a positive student outcome.

**Recommendation 4:** The VET Student Loans scheme recognises a student’s transition to an undergraduate course as a positive “student outcome”, for the purposes of assessing VET course success rates.

## 5. Trials of innovative approaches in VET

ACU supports the suggestion in the Terms of Reference of trials to “test innovative approaches [to VET] likely to deliver better outcomes”.

Such trials would naturally offer the greatest potential in service industries marked by (a) significant public demand and (b) strong projected workforce growth. Two prominent sectors fitting this profile are aged care and early childhood education and care. Both sectors would enable close involvement by industry stakeholders and a range of VET providers.

We note that, in the case of aged care, any workforce development trial may need to await relevant recommendations from the Royal Commission into Aged Care Quality and Safety.

## ATTACHMENT A: AUSTRALIAN CATHOLIC UNIVERSITY PROFILE

Australian Catholic University (ACU) is a publicly-funded Catholic university, open to people of all faiths and of none and with teaching, learning and research inspired by 2,000 years of Catholic intellectual tradition.

ACU operates as a multi-jurisdictional university with seven campuses across four states and one territory. Campuses are located in North Sydney, Strathfield, Canberra, Melbourne, Ballarat, Brisbane and Adelaide. ACU also has a campus in Rome, Italy.

ACU is the largest Catholic university in the English-speaking world, and is ranked in the top 500 universities globally.<sup>3</sup> Today, ACU has more than 33,000 students and 2,300 staff.<sup>4</sup>

ACU graduates demonstrate high standards of professional excellence and are also socially responsible, highly employable and committed to active and responsive learning. ACU graduates are highly sought-after by employers, with a 93 per cent employment rate.<sup>5</sup>

The University has four faculties: Health Sciences; Education and Arts; Law and Business; and Theology and Philosophy. ACU has built its reputation in the areas of Health and Education, educating the largest number of undergraduate nursing and teaching students in Australia<sup>6</sup> and serving a significant workforce need in these areas. Under the demand driven system, ACU sought to focus and build on these strengths.

As part of its commitment to educational excellence, ACU is committed to targeted and quality research. ACU's strategic plan focuses on research areas that align with ACU's mission and reflect most of its learning and teaching: Education; Health and Wellbeing; Theology and Philosophy; and Social Justice and the Common Good.

In recent years, the public standing of ACU's research has improved dramatically. The 2015 Excellence in Research for Australia (ERA) assessment awarded ACU particularly high ratings in the fields of research identified as strategic priorities and in which investment has been especially concentrated. These include selected areas of Health, as well as Education, Psychology, Theology, and Philosophy, in which ACU's research was rated as "above" or "well above" world standard.

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<sup>3</sup> Times Higher Education University Rankings 2019.

<sup>4</sup> Student numbers refer to headcount figures while staff numbers refer to full-time equivalent (FTE).

<sup>5</sup> Quality Indicators for Learning and Teaching, 2018.

<sup>6</sup> Department of Education and Training, 2016 Higher Education Data Collection – Students, Special Courses. Section 8, table 8.3