

## Training and Skills PAEC Questions on notice

Question on notice no:	<b>1</b>
Question:	<p>“In the presentation you gave us, Minister, on page 3—you are one of the few ministers who actually puts page numbers on your presentation, which is very handy—you have got \$48 million recovered in the quality blitz. Of course a lot of work has been done, I acknowledge, to crack down on the rorting that was allowed to run away for many years. So with that \$48 million, if perhaps the secretary could update the committee on where we are, how many providers out there do we think are still needing to be gotten rid of out of the system and money recovered? Where are we with that? ... So if you have any more of that information that you are reading from there, perhaps you can supply that to the committee, because that was interesting that you were getting to the figures that there are the 300 providers et cetera. Whether you have information on what percentage of those have been visited in the way you have been describing would be very helpful to the committee.”</p>
PAEC Transcript page reference:	9

### RESPONSE

The Andrew Labor Government’s Skills First reforms of the training and TAFE sector, providing high-quality training leading to real jobs, took effect in January 2017. Skills First includes significant investment in the ongoing monitoring of the quality of training by the Department of Education and Training (the Department) that forms an integral part of the Department’s oversight of all contracted training providers.

The Government is committed to monitoring providers and ceasing to contract with those that do not meet the requirements of the VET Funding Contract. This approach is central to delivering a robust and high quality training system.

The Department employs a range of tools and processes to ensure a high quality training and TAFE system in Victoria. This includes a robust auditing regime, systematic monitoring of Training Providers’ performance, in depth investigations where poor behaviour or non-compliance is identified and a strengthened Provider Selection Process (PSP).

The PSP continues to be a key platform for implementing the Government’s agenda for a strong, stable and high quality training and TAFE system. The objectives of 2018-19 Contracts reflect key aspects of the Skills First agenda, including that:

- training and assessment is of high quality;
- eligible individuals are supported to undertake training that is in their best interests, enabling them to be either job-ready or to undertake further education; and
- participation in training by disadvantaged learners is promoted.

The PSP for 2018-19 Contracts included further strengthened eligibility and evaluation criteria, which ensured only training providers that could demonstrate a history of delivering quality training, were offered a VET Funding Contract.

The strengthened PSP has seen a reduction in the number of Training Providers being offered a VET Funding Contract. In 2016 the Department offered contracts to 426 Training Providers, 346 in 2017 and 321 in 2018 (excluding TAFEs and Dual Sector institutions).

The Department's compliance activities over the 2017-18 financial year, along with carrying out special investigations as appropriate, has culminated in the termination of VET Funding Contracts for 18 Training Providers (14 for serious non-compliance), as at 25 June 2018.

Reasons for the Department terminating VET Funding Contracts for various RTOs include material breaches of the VET Funding Contract such as:

- Refusing to allow audits to be conducted;
- Failure to maintain registration with ASQA;
- Liquidation;
- Failure to act ethically;
- Unapproved subcontracting; and
- Making claims for training that has not occurred.

To date, no training provider with a 2018-19 VET Funding Contract has had its contract terminated.

In the 2017-18 financial year, the Department has conducted assurance activity at 28.8% (104 providers) of 2017 contracted training providers and 30.3% (102 providers) of 2018 contracted Training Providers.

From the Department's assurance activities during the 2017-18 financial year, approximately \$16.7 million has been identified for recovery.

The Department will continue to implement a rigorous and thorough program of monitoring, investigation, auditing and support services to maintain high quality training in the Victorian training and TAFE system.