

**INQUIRY INTO VOCATIONAL EDUCATION AND  
TRAINING IN NEW SOUTH WALES**

**Name:** Name suppressed

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Partially Confidential

14<sup>th</sup> August 2015

The Honourable Paul Green MLC

Chair

Inquiry into Vocational Education and Training in New South Wales

I have decided to submit this submission, as I believe my experiences should be brought to the attention of the committee, as I believe many vulnerable people within NSW have been exploited.

This submission to your committee's inquiry draws on my experiences as an employee of  
a Private Provider of Vocational  
Education and Training in NSW.

The committee may draw its own conclusions from this document as to the standard of education being delivered at this institution whilst I was an employee. However, It is my opinion and that of many recent media reports that many students who attended this establishment left with poor training and have had to retrain with TAFE institutions.

**NEGATIVE EXPERIENCES WITHIN A PRIVATE REGISTERED TRAINING ORGANISATION  
DELIVERING VOCATIONAL & EDUCATIONAL TRAINING & IT'S IMPACT ON VULNERABLE  
STUDENTS WITHIN NSW**

1. I was a full time employee of a Private Registered Training Organisation and In November 2011, I was to undertake the task of investigating all incumbent business processes in connection with VET FEE HELP funding.
2. In consultation with the CEO we decided the first project would be to process map the VET FEE-HELP Government submissions sector of the business, which was managed by the VET FEE MANAGER and In Mid December 2011, I set up a meeting with VET FEE MANAGER to discuss the Vet Fee-Help processes. After a short discussion VET FEE MANAGER began to inform me of the unprofessional conduct of senior staff members within the organization in relation to Vet Fee-Help. I could see that VET FEE MANAGER was uncomfortable when talking about these matters as she stated she was greatly concerned that vulnerable young students were being taken advantage of by the college and that they were being burdened with a large government debt. She mentioned that during her time as VET FEE-HELP manager, four main characters within the business had made her job extremely difficult to administer. VET FEE MANAGER told me those people were The Owner of the College, The General Manager, The Head of Sales and The Head of Faculty.

3. VET FEE MANAGER explained that the above were not interested in administering the VET FEE-HELP in accordance with guidelines set out by government and would conspire to unethically influence students to sign up for diploma courses (See Paragraph 8). The above would then also plot to influence control over those enrolled students in many underhand ways so that the college could benefit from government funding. I then set about flow-charting the Vet Fee Process with the assistance of VET FEE MANAGER.
4. The VET FEE MANAGER was a professional, articulate and a well-respected person within the organisation and her work was always well presented. Her position in the company for the past three years had been VET FEE-HELP Manager. The VET FEE MANAGER resigned from her position and left the company in March 2012.
5. In late November 2011, I was instructed by CEO via email that an internal mock audit of the college was to be carried out in January 2012, by a qualified auditor and employee of the college. The CEO stated within email; "you will need to spend the week with this team in your new role as Business Process Consultant and drive the Prince II/ISO 9000 components of the project".
6. Before the audit process, the qualified auditor stated to me that he suspected there were a number of non-compliance issues within the college and he reiterated comments made to me by the CEO in December 2012, that if the college were to be officially audited at this time it would loose its registration.
7. Between the 17th and 19th of January 2012, the audit team met in the boardroom and consisted of Qualified Auditor, Compliance Officer, VET FEE MANAGER, Operations Coordinator and myself. I made original notes while attending the audit, which later went inexplicably missing. I did however while in possession of those notes compile an unfinished structured report based upon Essential Standards for continuing registration.

8. I was present when, the Head of Sales and Marketing was questioned by auditors, regarding the way in which the VET FEE Diploma of \_\_\_\_\_ was being offered to students as a practical course, over an unusually long time frame which was outside the normal industry standard and considerably more expensive than any other Diploma of \_\_\_\_\_ in the market place. The Auditor also discussed with the Head of sales how, at the time of sale, students were being told that the Certificate III and IV \_\_\_\_\_ could be completed in the time allocated to the Diploma and that the college was running Cert III and Cert IV in \_\_\_\_\_ concurrently with the Diploma. They wanted to know why students were only being enrolled in the Diploma and not being enrolled in either the Cert III or Cert IV. Auditor informed Head of Sales, that this was not only non-compliant, but students would probably not be insured if undertaking Certificate III or IV without being enrolled as per legislative guidelines. One of the major concerns of Auditor was the inaccurate and unethical way in which the Certificate III in \_\_\_\_\_, The Certificate IV in \_\_\_\_\_ and The Diploma of \_\_\_\_\_ was being marketed by the sales department under Vet Fee Funding.
9. During the Audit, I visited the Student Administration department and found all students undertaking The Diploma of \_\_\_\_\_ under Vet Fee-Help, had three files allocated to them which included; The Diploma File (With Enrolment and course work evidence etc.); Certificate IV file (No Enrolment but with course work etc.) and Certificate III file (No Enrolment but with course work etc.) The two files without enrolment were held together with elastic bands and I believed this was done so if the college was audited, these files could be removed quickly and hidden, as they were non-compliant. The auditors would then be misled into thinking these students were only undertaking the Government funded VET FEE Diploma course.
10. Back in the Audit, the Auditor, in my presence, then asked Head of Sales about the scheduling of student time as the Diploma course was allocated a full time study load through Vet Fee-Help. They asked her why if the Diploma was allocated approx. 32 hrs. Per week, why were these students' timetables showing them in practical lessons on the \_\_\_\_\_ floor for 28 hours and only 4 hours in diploma. Head of Sales made no comment. It was obvious to me that the college was marketing the Vet Fee Funding incorrectly to the student. I suspected that students were being told that Vet Fee-Help was funding all the Cert III, Cert IV and Diploma courses. I confirmed this with Compliance Manager and he stated he had addressed this problem directly with The Owner was not only aware of it, but driving it.

11. With the information gained within the audit and VET FEE MANAGER's comments made to me in December 2011, the situation now began to make a lot more sense to me. In my opinion, it also made sense to me why the CEO was asking me to investigate the business processes within the college.
12. During the audit and after speaking to Head of Sales, Auditor spoke to a Senior Sales Person who had been personally trained by Head of Sales and The Owner in regards to VET FEE HELP. The Senior Sales person was a senior member of the sales and marketing department and at that time was selling the Cert III, Cert IV and the Diploma of at the college to potential students. The Auditor began by asking about the sales process. Senior Sales stated to the audit team that they had issues regarding the unethical marketing of the courses that they were selling and in the past had several meetings with Head of Sales and the Owner regarding this matter. In all meetings the Owner had reassured Senior Sales person that there were no problems with the way in which the college was marketing and selling Vet Fee-Help enabled courses. The Senior Sales Person also stated that students who were currently enrolled in The Diploma of were making complaints about unfair treatment at the college and students wanted to withdraw from their course and were being ignored. The Senior Sales Person stated that the Owner directed her to forward potential withdrawals and complaints to Head of Sales. The Senior Sales Person told us that they then referred all potential withdrawing students and complaints to Head of Sales. One example of a recurring complaint made by students was when they had made their initial enquiry via the college web site, a "Laptop" was being offered on enrolment and was not forthcoming.
13. The Senior Sales Person also stated that students were not receiving promised kit, uniform and textbooks also mentioned in the written contract. She went on to say that the Compliance Manager had previously advised her that the sales process was non compliant and that before students undertook Certificate III or Certificate IV in , they must be enrolled in those specific courses and receive a letter of offer. This process was not being followed. She then stated that a further sales team meeting had taken place in the office of Owner, after Compliance Manager had advised her and Head of Sales of this non compliance and The Owner stated in that meeting to all sales staff, that they were to carry on selling the course as a practical course and not to change anything until she said so. The Senior Sales Person informed Auditor that the Compliance Manager was not at that particular meeting. The Auditor asked the Senior Sales Person if students were aware that Vet Fee-Help was only financing the Diploma course.

14. Senior Sales stated that students were being led to believe that Vet Fee-Help was financing all three courses and that they were being led to believe that they would leave the college as fully qualified . I remember that Auditor both appeared to be visibly shocked. They asked The Senior Sales Person where this directive was coming from and she stated from The Owner. The Senior Sales Person also stated that Owners main concern was getting students past their first census date of funding and staff members were either told to ignore complaints from students or delay withdrawals until that census date had passed. The Census date is a date which when passed makes the student liable for funding debt and the college is guaranteed a payment of funding from Federal Government. I believe that at the time of the audit if the first census date was passed the college received over \$15,000.00 per student. Senior Sales Person also stated that the complaints procedure was embarrassing at the college and was frustrated and angry at how vulnerable students were being misled and felt bullied by Head of Sales and The Owner to continue selling the course in this way or lose their job.
15. A major concern of mine at the time was that several students had apparently tried to withdraw from the VET FEE-HELP course and management were destroying withdrawal letters from students.
16. Educators at the college were also reporting to me on a regular basis that senior management were ignoring students who wanted to discuss withdrawal from VET FEE-HELP.
17. When the Senior Sales Person left the Boardroom, the Auditor had an open discussion with the rest of the audit team and stated they would have a conversation with The Owner over lunch and inform the Owner that this was unethical and non compliant and it could not go on if the college was to be compliant for the audit due in June 2012.
18. It should be noted that "This private Training Organisation" failed the A.S.Q.A. (Australian Skills Quality Authority) audit in June 2012 and had their re-registration refused. This was later rescinded in 2013.
19. On January 25th 2012, I started compiling a report of my findings in regard to non-compliance issues. I did not make reference to the Senior Sales Person's comments or the criminal fraud I suspected was taking place as Auditor stated they would address these issues with The Owner & CEO directly. I believe the Auditor submitted their own separate reports to The Owner and CEO. When asked, I was told they were private and confidential and I could not see them.

20. In February 2012 after the audit was complete I was called to Owners office. Also present were Auditor & Compliance Manager. I was directed by The Owner to cease all Business Process work.
21. During my time at this private Training Organisation, whenever there was an opportunity to exploit the system with little chance or fear of detection, I believe that The Owner would take that opportunity and drive it. Throughout the organization, there was a lack of ethical leadership or support by senior management and there was a cultural acceptance of corrupt and criminal practices. I believe that there is evidence, from my own observations and from other staff members I worked alongside and from documentation contained within the organisation, to support the allegations of fraudulent activities that I observed take place whilst I worked at this private Training Organisation.
22. In June 2012 and after a prolonged personal attack of bullying and harassment, I reported sick on Work Cover suffering from acute anxiety and stress disorder.
23. In 2014 I was dismissed from this Private Training Organisation.
24. It has since come to my attention that many vulnerable students who attended this college reported serious misconduct and breaches of VET FEE HELP to the relevant authorities including ASQA and trading standards, with little or no help.