

**Submission
No 224**

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

Organisation: Metro Assist Inc

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Inquiry into Vocational Education and Training in New South Wales

Submission by Metro Assist Inc.

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Introduction

The Board and staff of Metro Assist Inc. welcome this opportunity to make a submission to the Inquiry into Vocational Education and Training in NSW. Our submission is based on 28 years of experience in settlement support for migrants and refugees, family services and emergency relief. We have a strong understanding and appreciation of the value of vocational education to people as a 'life-changer' and enabler. For the purpose of this submission, the use of the term 'migrants' and 'migrant communities' refers to migrants and refugees and their communities.

Summary

Our submission responds to key questions around the fragmentation of the system which is creating difficulties in understanding what providers have to offer, and some of the unscrupulous practices around recruiting people into courses on falsehoods about VET Fee Help. There are also serious questions around the quality of training and inappropriate practices by training providers which appear to be targeting certain migrant groups.

The introduction of Smart and Skilled has imposed significant cost barriers to newly-arrived migrants, particularly those with overseas skills and qualifications who may be ineligible for concessions. The costs of undertaking bridging course for this group can be prohibitive, and many skilled migrants are not able to pursue their aspirations and apply their skills. This is a significant under-utilisation of skills in the community and an opportunity loss to the NSW economy.

In our view, there is a need for more equitable and flexible models within the VET system in order to create effective pathways which offer incentives to both employers and to skilled migrants.

We are grateful for this opportunity to express our views to the Inquiry.

Responses

(a) Factors influencing student choice about entering the vocational education and training system including: (i) motivation to study, and (ii) choice of course, course location and method of study

In migrant communities, motivating factors to enter vocational education predominantly focus on seizing training opportunities that lead to secure employment and a career trajectory. However, migrant communities are not homogeneous and their circumstances and capacity to engage in training varies significantly from community to community depending on their stream of migration (skilled migrant, refugee) and homeland circumstances such as developed or emerging economies.

Generally, migrants with overseas qualifications and skills are keen to continue using their skills in the Australian workplace. Yet many encounter entry barriers to the labour market with their existing qualification or skills and see vocational training as the only avenue open to them. In the trades area (plumbing, electrician, building and construction etc) migrants with overseas skills have no choice but to obtain an Australian qualification in order to be recognised as a tradesperson in Australia. More often than not, they are able to obtain Recognition of Prior Learning (RPL) for some components of their training.

The choice of course is largely determined on whether they have existing experience, as identified above; or whether they are engaging with study for the first time. For many new migrants or refugees with limited work experience, the choice of course is often influenced by friends, through word of mouth.

Location and method of study is often determined by proximity to the place of study and safety concerns, particularly among young women in migrant families. The method of study is often determined by their level of English and the ability to engage in on-line studies. On-line study has been effective in areas where migrants want to upgrade their local qualifications and have English language skills to deal with assignments and on-line discussion.

Case studies

Mr A recently arrived from Sierra Leone with a Bachelor Degree in Civil Engineering. Unable to find any job in his profession, he undertook a Diploma in Civil Engineering with TAFE. He concedes that he does not have some of the skills required in the job ads he has seen because in Africa they do not use those skills. He believes studying a diploma will help him significantly in filling those skill gaps and connecting him with the Australian labour market.

Mr B is an experienced mechanic with four years of experience and a Diploma of Motor Mechanics from Nepal. He is currently undergoing a skills assessment with State Training Services. If he successful, he will get a craft certificate. However, he has been told by NSW Fair Trading that employers may still ask for a license before they employ him. He can apply for the license with Fair Trading after getting the minimum Certificate III qualification.

(iii) barriers to participation, including students in the non-government education and home schooling sectors

For many migrants the biggest barriers to participation in the VET system are language and cost. In particular, under *Smart and Skilled*, courses that are not on the skills shortage list have been defunded and attract full fees. For migrants with overseas qualifications, the cost of pursuing courses

relating to their professional backgrounds is prohibitive, at a time when more pressing needs and expenses have to be made such as housing, transport and the general cost of living.

Case studies

Mr A from Sierra Leon (mentioned above) was quoted a \$13,000 fee for the diploma of civil engineering he wanted to study at TAFE. This is because he is not a permanent resident yet and he has a bachelor degree from overseas, plus the qualification he wants to study is not one of the 'targeted priorities'.

In any other case, Ms C from Syria was studying a diploma of electric engineering with TAFE prior to Smart and Skilled. All she had to pay was a couple of hundred dollars. Half way through the course, Smart and Skilled was introduced and her fee became a few thousand overnight. Being on a refugee visa and receiving Centrelink payments she was forced to discontinue the course because she couldn't afford it and she didn't want to incur a debt through VET Fee Help.

A group of Chinese and Vietnamese mature age women are very keen to work in the aged care area but they are not able to enrol in any formal vocational training due to their low level of English.

(d) the effects of a competitive training market on student access to education, training, skills and pathways to employment, including opportunities and pathways to further education and employment for the most vulnerable in our community including those suffering a disability or severe disadvantage

Fragmentation

We would argue that a competitive training market has not provided the desired positive outcome in terms of access to education or employment pathways. For migrant communities, the entry of the many providers has resulted in fragmentation of the system, with providers catering for various areas of specialisation. This makes choosing a provider very difficult in terms of what they offer, how much it will cost and study options.

Case study

Maria, an IT teacher from Egypt was looking for a course on web development as a bridging course to lead to a job in IT in Australia. She searched on the internet and found a distance learning college based in Queensland. As part of the online enrolment, she was asked to fill in a lot of personal identity information, and that's when she started to become suspicious. She came to us and we provided her with information of OTEN and TAFENOW, both of which TAFE's distance learning arm. Had she not come to us, she might sign up with a unscrupulous provider, or she would delay her training plan if not to give up all together.

Poor practices

While we acknowledge that many RTOs who adhere to quality standards and have a genuine interest in their students, there is an element which reflects very poorly on the sector and appears to have embarked on unscrupulous practices. A freeing up of the VET market has seen the entry of 'brokers' which focus on recruiting students by any means. Prospective students are told that courses are free and by studying, they will satisfy their Centrelink obligations and remain on benefits. Some of these

people do not even have basic English skills to take up studies. VET Fee Help has been promoted as a way to overcome the cost barrier to students and to drive up the number of recruited into the VET system.

While competition in the sector was intended to reduce the costs of studying, the introduction of VET Fee Help has negated that effect because the immediate cost is no longer borne by the student, but in the form of a loan. The concern remains that any cost reductions may have resulted from a compromise in the quality of the training. It is also feared that as the regulator, ASQA does not have the resources to appropriately monitor and police the sector for poor practices.

Case studies

In one example, a number of Chinese elderly were recruited into a Diploma of Business Management course with a private college in Bankstown. The group speaks very little English and the course is conducted in Chinese. The course fee of over \$13,000 was paid using VET Fee Help and the students were told they would not have to pay it back until they earned \$52,000 per annum and that due to their old age they had no prospect of working. This was promoted as a government incentive to support healthy ageing.

Ms D enrolled in a Diploma of Children's Services with a private college in Burwood in Feb 2015. She speaks limited English. The course is 28 days of teaching, 2 hours each day. There are 8 units in the course. The textbooks are in English but the teaching is in Mandarin. The teacher translates the contents of the books in class and the students write them down. The student told our worker that the assessment was supposed to be in English but there would be no way she could do it. Because many of the 65 students in her class were in a similar situation, she believed in the end the teacher would let them do it in Chinese and the college would find a way to translate the assessments. She is very keen to get this diploma as she planned to open a family day care business. The cost of the course is over \$15,000 and she took out VET Fee Help. She was glad to be doing the course as she knew there was no way she could finish one with TAFE when the course is conducted in English. The same course with TAFE requires 1405 hours of study and has 24 units. Our worker reported the case to ASQA but has not heard from them.

(f) the Smart and Skilled reforms, including:

(i) alternatives to the Smart and Skilled contestable training market and other funding policies

(ii) the effects of the Smart and Skilled roll out on school based apprenticeships

(g) any other related matter.

Smart and Skilled shifts from funding courses to funding individuals according to their circumstances and where skills shortages exist. This disadvantages newly arrived migrants, particularly those with overseas qualification and skills. While they are keen to do bridging courses, or choose another area of vocational training to start a new career, the high cost of training and not receiving support benefits by virtue of them having arrived under the Skilled Migration stream creates a huge barrier for them to pursue vocational education. Many have to resort to doing unskilled work for a long period of time to save the money, or give up the study plan all together.

While we understand a rationale behind *Smart and Skilled* is to direct funds towards skill shortages, the model lacks flexibility and does not consider the individual's aspirations, strength and skill backgrounds. We would recommend an alternative model where skill shortages are addressed, but which also allows for individuals' choice, thereby promoting entrepreneurship and small business.

Recommendations

- That State Training Services continues to advocate to the federal government on loopholes and issues around the use and abuse of VET Fee Help, with particular emphasis on the unscrupulous actions of third-party agencies and recruiters. This appears to be more prevalent among some migrant communities where information has been distorted and people may not be fully aware of their requirements to pay back loans.
- That State Training Services be given more power to work with ASQA on monitoring and regulation of quality of training provided and that standards are being met. Some of the case studies we have provided clearly show that the system is open for abuse.
- That the NSW Government review *Smart and Skilled* with the view to building greater flexibility into the system around improving access and affordability to migrants who wish to undertake bridging courses in areas where they have Recognised Prior Learning.
- That the NSW Government restore funding and strengthen TAFE as the flagship VET provider.
- That the NSW Government consider the establishment of a pathway that sits between a traineeship and full qualification, by which migrants with skills and/or qualifications can be supported into work placements through a combinations of:
 - subsidies to employers
 - on-the-job bridging of qualifications to achieve local competencies
 - English language support

This would greatly enhance the understanding of local knowledge, language and workplace culture, and potentially provide more immediate work opportunities for some very highly skilled people whose skills are currently under-utilised.