

Vocational Education and Training for Year 11 and 12 Students in Public Schools

Executive Summary

Report 32: December 2016

Introduction

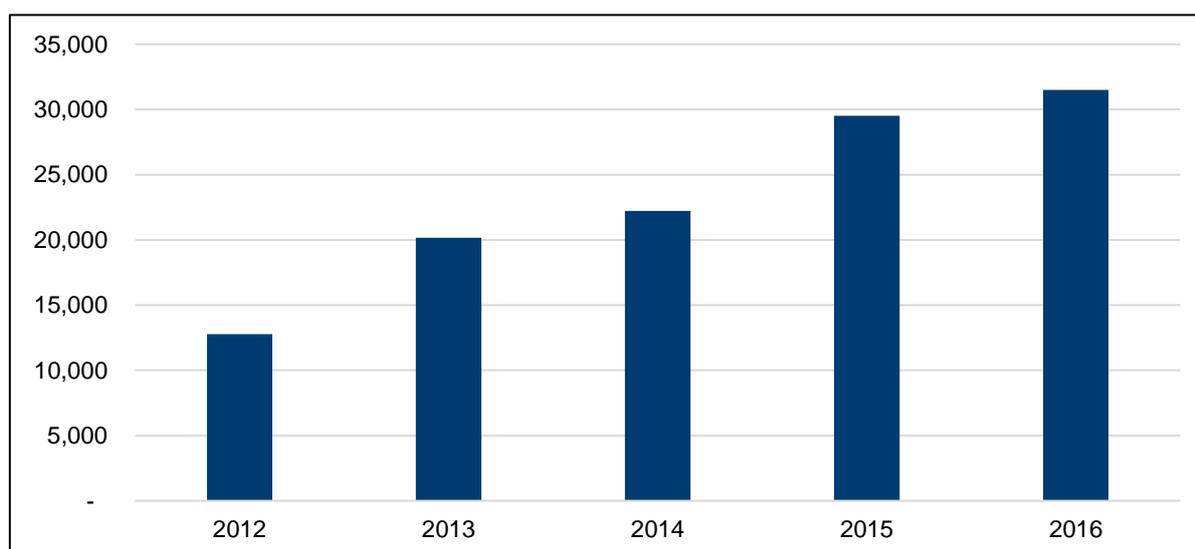
This audit assessed the effectiveness and efficiency of vocational education and training (VET) for year 11 and 12 students in Western Australian (WA) public schools. We focused on how the Department of Education (DoE) and schools had implemented VET for an increasing number of students. We also examined the role of the Department of Training and Workforce Development (DTWD). The audit involved data analysis and a survey of 25 schools and their parents, and site visits to 9 schools.

Background

There has historically been a vocational training component to high school education. Generally, it led to apprenticeships and further training, often at colleges of Technical and Further Education (TAFEs), mainly when students left school after year 10. Formally recognised as contributing to school education in 1997, VET continues to be an educational pathway for students wanting employment or further training, and for those less suited to academic schooling.

Recent changes to the WA education system have increased the focus on VET. Since 2014, the *School Education Act 1999* requires that all children must be in school, doing further education, or employed until the end of the year they turn 17 years and 6 months or until they turn 18, whichever comes first. The aim for students who stay at school is to gain a Western Australian Certificate of Education (WACE). This requires either an Australian Tertiary Admission Rank (ATAR) or a VET certificate II or higher.

Boosted by these changes, the number of year 11 and 12 students doing VET in all WA schools has more than doubled since 2012 to 31,504 in 2016 (Figure 1).



Data: School Curriculum and Standards Authority

Figure 1: Total year 11 and 12 students enrolled in at least 1 VET course

Seventy-three percent of year 11 and 12 students in public schools were enrolled in study for a VET qualification (course) in 2016, compared to 27% enrolled only in 4 or more ATAR subjects. Many students study both VET and ATAR, and a small number study neither. They were enrolled in 199 courses supplied by 148 registered training providers (RTOs). VET was delivered in 138 of the 181 public schools with year 11 and/or 12 students.

At the same time, the school system has changed in other ways. Increased independence for public schools has changed the role of DoE, with greater decision-making responsibilities devolved to schools. Schools are empowered to make local decisions about the use of resources, including funding for VET programs, so that they can meet the needs and aspirations of students in their local context.

Types of VET arrangements

VET is provided to school students in 3 main ways:

DoE funded training

Most school students in VET courses will be trained at school, with school staff and resources delivering a qualification under contract from a RTO. The RTO assures the quality of training and assessment, and awards the qualification. This arrangement is known as 'auspicing'. DoE provides around \$19 million on top of general funding for schools to contract RTOs, train teachers and coordinate activities. This does not include staff costs. About 70% or 25,700 public school VET enrolments were in auspiced courses.

Seventeen public schools including the state's 5 agricultural colleges are RTOs themselves and do not need to auspice to deliver courses and award qualifications. These schools cater for about 13% or 3,600 public school VET enrolments.

DTWD funded training

DTWD funds some training used by public school and private school students from the state training budget. It is mainly delivered by TAFEs away from school though DTWD also funds some training by private RTOs. It comes at no direct cost to parents or schools and is known in the sector as 'profile'. The current estimated budget for this is around \$21.5 million for public schools, including staff costs. About 12% of public school VET enrolments were in profile courses.

Profile training also includes school-based apprenticeships and traineeships. Under this arrangement, a student undertakes formal on the job training as a trainee or apprentice and attends school part-time. About 3% of public school VET students were in this arrangement.

Privately funded training

Students wishing to take courses not available by auspice or profile can also access courses from RTOs, though under this option the cost is passed on to families. Occasionally, the school will subsidise the cost. Fees for this vary widely depending on the course and provider, but can cost many thousands of dollars. Two percent or 450 public school VET students were in privately funded courses, known in the sector as 'fee-for-service'.

Courses can also be provided through a combination of these methods. Combined modes account for about 16% or 6,300 public school VET course enrolments.

The VET regulatory framework

There is a complex regulatory framework around VET. Courses are accredited nationally under the Australian Qualifications Framework. RTOs are accredited to provide particular courses. National providers are regulated by the Australian Skills Quality Authority (ASQA). Those only delivering training in WA are regulated by the WA Training Accreditation Council (TAC). In 2015, 484,500 people were engaged in VET in WA, with 4.5 million enrolled nationally.

To be registered, RTOs must comply with the National Standards for Registered Training Organisations 2015. These cover things like being managed by a 'fit and proper' person, financial viability, having public liability insurance, as well as making sure the training they deliver meets the national approach for the relevant qualification. They also cover course material, how it is to be delivered, and the competence of trainers. Importantly, these responsibilities extend to RTOs supporting schools under auspice arrangements.

Individual schools manage the VET delivered in their schools to their students. The School Curriculum and Standards Authority (SCSA) is responsible for kindergarten to year 12

curriculum, setting standards for student achievement, assessing and certifying student outcomes and reporting for all WA schools. SCSA establishes and implements the WACE.

DTWD manages the state's training budget and funds TAFEs. In 2015, it funded 34 million hours of training across WA at a cost of \$510 million. Less than 5% of this was for school students. It also develops workforce planning policies, and works with DoE to support provision of VET to school students.

Audit conclusion

The legislative and policy changes that made VET for year 11 and 12 students a central part of the public education system were rolled out reasonably well.

About 70% of public school year 11 and 12 students in 2016 were in certificate II or higher courses. Schools ran a wide range of courses and most students were in their preferred course. DoE has no targets for completion, but performance was reasonable, with 85% of year 12 students completing a qualification in 2015. However, some weakness must be addressed to get the best outcomes for WA's senior public school students.

Most DoE students are in auspiced courses which is an economical and scalable use of school staff and resources. However, TAC found significant quality and compliance issues on both sides of auspice arrangements in 2014 and 2015.

DoE has not set standard arrangements for auspicing with RTOs, such as common contract elements or clear guidelines on choosing suitable courses. While DoE gives some financial assistance to schools, it has limited oversight and no plan for how its teaching workforce will meet the growing need to maintain industry experience and VET delivery qualifications on top of teaching qualifications.

DoE has produced guidelines for use by schools when choosing RTOs and coordinating VET but it has limited staff to support VET. It does not analyse outcomes in detail, and support has not grown to match effort in schools. Getting support for schools right is important, particularly with auspicing as the main delivery mode.

Schools have sound basic governance for VET, and DoE has an improved and transparent funding system in place for schools. However, DoE and DTWD have not worked out the best way to allocate training funded by DTWD.

Key findings

VET is now a key part of the senior school system; its focus is primarily on education, not job readiness

Broad policy change in education is difficult, with no chance to 'stop and reset'. DoE, schools, DTWD, SCSA and RTOs have successfully expanded the uptake of VET so that it is now a key part of the school system. All students must complete a VET certificate II or an ATAR to attain a WACE. DoE and schools see VET as part of a broad education that engages students and develops skills. Work-readiness and settled career pathways is not the major outcome for most students.

Students are enrolled, engaged and completing a wide range of VET courses

Seventy-three percent of government school students in years 11 and 12 were in a VET course in 2016, with practically all the rest studying ATAR subjects. They enrolled in 199 courses, provided by 148 RTOs. In 2015, 85% of Year 12 VET students completed a qualification, making them eligible for the WACE. DoE has no targets for this measure.

Although a wide range of courses is available, just 1 course, sport and recreation accounted for 21% of all enrolments in our 25 selected schools. The concentration in this course reflects, at least in part, schools' emphasis on student engagement and the course's suitability for auspiced delivery. DoE views this as an outcome of independent choices made by schools in the interests of their students.

Most school students taking VET courses will be trained by school teachers at school

In 2015, schools delivered 70% of VET for public students under auspice arrangements, up from around 60% in 2011. This involved 20,000 students and 450 teachers in 135 schools delivering 160 courses. DoE believes auspicing is the only viable mass delivery model, because it leverages school resources and teacher skills at little extra cost. However, relying on those resources and skills raises risks, including the use of unqualified staff, outdated equipment and overly generous assessment. TAC found significant issues in audits of auspiced arrangements in 2014 and 2015.

DoE has limited oversight of school staff qualifications and experience to deliver VET

Maintaining staff qualifications and industry experience is a major challenge for schools. VET trainers need a Certificate IV in Assessment and Training, even if they are qualified teachers. They must also have current industry experience and vocational competency to assess students. DoE has not assessed the workforce implications of maintaining these qualifications and vocational currency over time, for example by working in industry. It provides some financial assistance to schools, but it relies on individual schools to manage this process and the VET regulators to enforce RTOs' responsibility for it.

While all of our selected schools reported all their teachers currently met requirements, they commonly raised it as an ongoing concern, and 6 reported there had been times when the requirements were not met.

DoE has not set a clear process to support schools when choosing higher level courses

It is a challenge to balance giving students opportunities to extend themselves in demanding courses with the risk that such courses could be unsuitable for their age and could not deliver the industry experience expected of graduates. Although schools can access a DTWD register of industry views on course suitability, there is no clear process for schools to follow to ensure these decisions are made in the best interest of students.

A small number of RTOs and schools have allowed some students to choose courses that industry does not think appropriate for school students. These include a Certificate III in Health Administration, a Certificate IV in Work Health Safety and a Certificate IV in Business. Industry concerns include limited opportunities for on the job training, poor employment outcomes and the personal maturity demanded by the course.

DoE has not minimised risk by setting standard contract terms for schools engaging RTOs

DoE does not provide standard contracts for schools to use when engaging with RTOs. DoE also does not specify standard contracting clauses like limits on liability, expiry dates, renewal terms or dispute resolution. Nor does it set minimum requirements for services provided by RTOs, such as site inspections and monitoring delivery by schools. Schools enter into a wide range of contracts whose features vary greatly. The risks of inconsistent contracting needs resolving.

DoE does not have a clear view of how training hours funded by DTWD should be used

DTWD provides about 1.2 million profile hours for public school students (3.5% of all training) at a cost to the state estimated at about \$21.5 million annually. However, neither DoE nor schools control their allocation. DTWD distributes the hours between the state's TAFEs according to size, history and location, rather than any request from DoE, or any analysis of specific student or school need.

DTWD plans to stop funding courses in sport and recreation, business, visual arts and information digital media and technology from 2017, and to limit access to profile courses for individuals and RTO schools. Based on its analysis, DTWD believes these moves will provide access to profile courses for 19% more students. DoE has not fully assessed the implications of these changes.

VET activity in schools is supported by a more equitable and transparent funding system

Public schools are funded individually through a VET loading on student centred funding. In 2016, DoE allocated \$19.3 million in total, ranging from \$358 to \$374,327 per school. The funding model factors in regionality, socio-economic status and NAPLAN results, and per-head funding decreases as student population increases. This is transparent and more equitable than the previous approach, which relied on individual schools seeking out funding from a variety of different sources.

Schools assess student needs and interests and deliver programs accordingly

Schools make concerted efforts to ensure VET courses engage their students. They promote courses to students after asking them about their interests, considering their aptitude and previous school performance to assess likely success and working with parents. Eighty-two percent of parents we surveyed reported their students were doing their preferred courses.

Governance of VET provision at schools is broadly sound

Sound governance at schools is vital to successfully expanding the role of VET. Although 2 of the 25 schools we surveyed were worried about their ability to manage their contracts with RTOs, all had adequate organisational and staff structures in place. Each had someone responsible for coordinating VET courses and student enrolment, timetabling, liaising with RTOs and monitoring student outcomes.

Analysis of impacts and outcomes has been limited

A key part of making major policy changes is reviewing progress. We expected that DoE and DTWD would have a coordinated and comprehensive plan for analysing the impacts and outcomes of the program. While a great deal of data is collected, it has gaps and conflicts. There is no plan for improving the data and carrying out the kind of analysis that DoE needs to plan effectively, like which schools struggle to find RTOs, which RTOs perform best, or which schools could pool efforts to arrange courses.

Recommendations

DoE should:

As soon as practical

1. finalise its response to the commissioned review of VET in schools and set timelines for implementing changes
2. work with SCSA to finalise guidelines for selecting higher level courses.

By June 2017:

3. review the level of VET-specific support provided in head and regional offices
4. establish a plan to regularly review school performance, experience, student outcomes and RTO performance
5. work with DTWD, SCSA and TAC to:
 - a. establish criteria for a 'school-ready' RTO accreditation including options for allowing TAC to audit activities in public schools
 - b. develop a set of pre-approved courses, especially for auspicing
6. develop a clear policy on the scope and intent of DTWD-funded student contact hours across the public school system
7. together with DTWD, set guidelines for public school access to profile hours. These should include:
 - a. a method for calculating the number of student contact hours available for schools based on need
 - b. guidance for the TAFE sector on allocating profile hours to schools
 - c. guidance on which courses at which level should be offered for profile places
8. increase guidance and oversight for schools, including standard contract models for auspiced delivery. This could include standardising responsibilities of RTOs.

Agency responses

Response from the Department of Education

The Department of Education (DoE) emphasises that vocational education and training (VET) delivery in schools has been very successful. This is demonstrated by:

- the doubling in student numbers participating in VET between 2012 and 2016
- more students completing VET qualifications that lead to further education, employment and training pathways
- more students completing higher level qualifications while at school
- students using VET to contribute to Western Australian Certificate of Education achievement.

DoE accepts recommendations 1, 2, 3 and 4, noting that:

- the response referred to in recommendation 1 was delayed in order to incorporate the findings of this audit to provide a consistent and cohesive direction
- work related to recommendation 2 has already commenced
- the review indicated in recommendation 3 will be undertaken during 2017 for future implementation
- the Training Accreditation Council (TAC) and the Australian Skills Quality Authority (ASQA) are the regulatory bodies for Registered Training Organisations (RTOs). DoE can only act to review the areas related to school practices in recommendation 4.

DoE recognises that support for schools could be strengthened in the areas of contracting and procurement of RTO services, whilst ensuring schools retain the capacity to respond to local needs, as referred to in recommendation 5 and 8, noting that:

- recommendation 5 requires improved clarity to ensure all parties have a common understanding of the intent and processes to be undertaken, and it must reflect the roles and responsibilities of each of the organisations to ensure their involvement is appropriate
- for recommendation 8, the *Standards for RTOs 2015* outlines the responsibilities of RTOs and compliance with these standards is overseen by ASQA and TAC. The legislative requirements of RTOs will need to be considered in the development of any contract models.

DoE has good relationships and regular interactions with the School Curriculum and Standards Authority, Department of Training and Workforce Development (DTWD) and TAC. The ability of DoE to influence their policies, the allocation of their resources and their operations is, however, limited. This impacts on the feasibility of DoE being able to implement recommendations 6 and 7, given these areas are under the direct control of DTWD.

Response from the Department of Training and Workforce Development

The Department of Training and Workforce Development notes the findings and recommendations of the Office of the Auditor General report 'Vocational Education and Training for Year 11 and 12 students'.

DTWD has worked closely with the Department of Education to implement the changes to the Western Australian Certificate of Education (WACE) in respect of vocational education and training for year 11 and 12 students.

DTWD has already made significant policy changes to improve the effectiveness of VET in schools through the development of an industry endorsed qualifications register that provides guidance to schools about appropriate VET pathways and best practice guides to assist schools in the quality provision of VET to school students.

DTWD has also provided greater clarity to TAFE colleges on school access to TAFE profile funding in 2017, including increasing the availability of job focused qualifications to a wider range of students. DTWD will continue to work with the Department of Education to support the most effective allocation of TAFE profile places to schools.