



Department of
Education & Training

Higher Education and Skills Group

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Ms Nicki Dunne
Manager
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PO Box 420
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Dear Ms Dunne

Subject: Outcome of Victorian Training Guarantee (VTG) Performance Review

I write regarding the VTG 2016 Performance Review (Review) conducted by Protiviti, on behalf of the Department of Education and Training (the Department), at Ocean Grove Neighbourhood Centre Inc on 18 April 2016.

In response to the recent *Review of Quality Assurance in Victoria's VET System* (Quality Review), the Victorian Government outlined¹ their commitment to "building a training system that better protects the interests of students, supports improved training quality and gives employers confidence in the skills and expertise of our workforce". The Quality Review and the Government's response places a priority on active monitoring and management of the performance of Registered Training Organisations (RTOs) to prioritise quality in determining eligibility to deliver government funded training.

Performance Reviews are one of the tools to be utilised in this new approach to the management of the VET system and are designed to monitor and assess the capabilities of RTOs to perform at a level that contributes to higher quality training services and to take further action if they are found to not be delivering quality services in key areas.

The review was conducted in accordance with Clause 10.1 of your organisation's VET Funding Contract. The objectives of the VTG Performance Review are to:

- ensure that RTOs meet the requirements of the key areas of relevant Standards, and
- assist with managing risks in the VTG program and its delivery arrangements.

Review process, scope of work and outcomes

The Review involved a site visit to gain an understanding of the quality of training services delivered by your organisation and interviews with students and trainers were conducted to provide a first-hand report against which the review observations could be compared.

The scope of work focused on gaining an understanding of the provision of quality training services delivered by your organisation in the following eight key areas:

- Training and Assessment Strategy,
- Industry Engagement,
- Facilities, equipment and training and assessment materials,

¹ Message from the Hon. Steve Herbert MP, Minister for Training and Skills, *Review of Quality Assurance in Victoria's VET System: Government response* (2015)

- Trainers' and assessors' competencies,
- Marketing practices,
- Pre-training Review (Learner Needs),
- Learner Information, and
- Learner protection

These key areas reflect the relevant quality standards for Registered Training Organisations. Additional information is also collected during the site visit relating, where relevant, to:

- student enrolment and course completion patterns,
- reporting in SVTS of elapsed time for courses,
- relevance of training assessment relative to the mode of training delivery,
- organisations' use of incentives or promotions to encourage enrolment,
- any brokering and sub-contracting arrangements, and
- the nature of professional development activities for RTOs' trainers and assessor

The Review outcome represents a point in time and is limited to the attributes listed above related to the specific qualifications nominated in its scope.

Review Observations

The two qualifications chosen for the Review were:

- Certificate II in Hospitality, and
- Certificate III in Aged Care.

The report provided to the Department has identified some areas of inconsistency in one or both of the above qualifications. The inconsistencies were observed during the review based on your organisation's Training and Assessment Strategy (TAS), other relevant documentation and the student and trainer interviews. The table below highlights the specific areas of inconsistency noted in the report:

For course one: Certificate II in Hospitality

TAS – Alignment	<p>The TAS confirmed the two elective units being taught ('Provide responsible service of alcohol' and 'Use hygienic practices for food safety') were not aligned to the training package requirements of six core units, six elective units and 172 to 387 nominal hours.</p> <p>The TAS outlined that the course is delivered through stand-alone delivery of these two units and included assessment of employability skills embedded in the training package. The TAS did not include the duration of the two units being taught, but included the duration of the full course at 207 hours over 10 weeks. This is inconsistent with the AQF guidelines for Certificate II course duration 6 months to one year.</p>
Industry Engagement	Your organisation did not provide evidence of engagement with industry in the last 12 months.
Facilities and Equipment	Your organisation did not demonstrate it had the facilities required by the training package and the TAS. Classroom facilities such as computer labs, whiteboards and workstations as per the TAS were sighted; however it was unable to be confirmed whether or not your organisation had work benches, storage facilities, refrigeration unit and measures used to serve standard drinks or samples, as required by the training package.

Training and Assessment Materials	Your organisation provided training and assessment materials that were inconsistent with the units and the course content required by the training package and the TAS. The RTO provided training and assessment materials, including a schedule of assessment, lesson plans, learner guides and written assessments for the following units only: 'Provide responsible service of alcohol' and 'Use hygienic practices for food safety'.
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For course two: Certificate III in Aged Care

TAS – Alignment	The TAS duration of approximately 22 weeks is not aligned to the AQF guidelines for Certificate III course duration of one to two years. No justification for the discrepancy between the TAS course duration and AQF guidelines was provided.
TAS – Verification by Reported Data	A number of students completed this qualification with a duration less than the TAS duration of approximately 22 weeks. Some of these students are completing in as little as two to three months with no credit transfers or recognition or prior learning.

For student and trainer interviews:

Student and Trainer Interview Detailed Observations	A number of the students interviewed indicated that they were not asked about their learning needs or assessed for suitability prior to commencing training.
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Site visit additional information:

Subcontracting	Your management indicated that you have a subcontracting arrangement with National First Aid, whereby National First Aid provides first aid training as part of the Certificate III in Aged Care. This subcontracting arrangement has not been approved by the Department.
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Failure to seek approval from the Department to enter into subcontracting of training and assessment to another RTO is a Material Breach of Clause 5.3 of the 2014- 2016 VET Funding Contract. All RTOs were notified through SVTS that their 2015 subcontracting arrangements were subject to Departmental approval. The Department did not receive any such application from Ocean Grove Neighbourhood Centre Inc. Please provide this information as soon as possible for the Department's consideration.

Additionally, the Department is concerned with the following inconsistencies observed during the Review:

- Short course duration,
- A lack of industry engagement,
- Inability to demonstrate adequate facilities, and
- Student reports of not being asked about their learning needs or being assessed for suitability prior to commencing training.

While the Department acknowledges your recent response to correspondence seeking an explanation on course duration, there appears to be more than the four students listed in your response that have completed the training in a timeframe shorter than the TAS. Therefore, the Department encourages your organisation to address the key areas, including the short course duration listed above, as a matter of priority. The Department will continue

to monitor your organisation's compliance with the VET Funding Contract as described in the VTG Compliance Framework, and reserves its right to conduct further assurance activity.

This summary completes your organisation's VTG Performance Review.

Next Steps

Thank you for your organisation's cooperation during the Review.

The Department reminds your organisation of Clause 4.1 of the VET Funding Contract that requires your organisation to "deliver high quality Training Services in accordance with [this] VET Funding Contract including but not limited to the requirements of the Quality Charter". A copy of the Quality Charter is attached for information.

The Department reserves its rights under the Contract (Clause 17.2) to withhold, suspend, cancel or terminate payment of funds and the right to require refund of funds.

The Department also reminds your organisation that in accordance with Clause 2.4 of the Contract, performance at audit or review may be taken into account when considering future contractual arrangements.

I trust that you found the performance review process helpful for supporting improvement within your organisation.

You will shortly receive a message from the Department via the SVTS containing a link to the Victorian Training Guarantee Contract Compliance Audit Program Satisfaction Survey which you are encouraged to complete. The survey is an opportunity to provide feedback regarding all aspects of the review process, and importantly assists the Department in the continuous improvement of its provider performance assurance program.

Yours sincerely



Daniel Wellesley
Acting Director
Funding and Quality Assurance Services
Department of Education and Training

Date: 20/6/16

ATT: Quality Charter