



Submission to the VET Funding Review – Issues Paper

7 August 2015

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Introduction

Melbourne City Mission is one of Victoria's oldest and largest community services organisations, with a broad service platform encompassing early years, education and employment, homelessness and justice services, disability services, aged and palliative care across Victoria.

A strategic focus for Melbourne City Mission is Vocational Education and Training. This submission is informed by:

- Melbourne City Mission's perspective as a values-driven, not-for-profit Registered Training Organisation in a marketised environment.
- Melbourne City Mission's perspectives as a Registered Training Organisation with a client base comprised of students who have multiple and complex disadvantage and concurrent high support needs.

This submission to the *VET Funding Review Issues Paper* follows Melbourne City Mission's earlier submission (April 2015) to the first stages of the VET Funding Review.

Melbourne City Mission endorses the case for change articulated in the *VET Funding Review Issues Paper*, and welcomes the rigour underpinning the review – in particular, the thorough process of research and analysis, and reporting back to stakeholders.

Melbourne City Mission is pleased that the *Issues Paper* acknowledges, and puts forward proposals that seek to address, a range of system issues identified in our April submission, in particular equity and outcomes for “vulnerable, disadvantaged and high needs groups”, the impact of “repeated and erratic funding changes on short notice”, and the regulatory burden. In relation to the regulatory burden, we again take the opportunity to highlight that a one-size-fits-all approach particularly disadvantages small not-for-profit community sector providers which service high needs learners and need to build in greater support and regulation per student, relative to large for-profit providers servicing ‘mainstream’ learners. We believe that the regulatory framework should formally recognise that there are different categories of RTOs and calibrate policy implementation and funding accordingly.

In relation to this next stage of the VET Funding Review consultation, Melbourne City Mission has feedback on the following aspects of the *Issues Paper*:

- Informed decision-making by students
- Measures to address disadvantage.

This feedback is provided on the following pages of this submission.

Melbourne City Mission's feedback on the *Issues Paper*:

Informed decision-making by students

- **Information hubs**

The opening section of the Issues Paper notes that *"contestability has the ability to drive innovation, efficiency and improvement, and empower students and industry to choose their training and provider"*. Melbourne City Mission is pleased that the Task Force has heard stakeholders' concerns about predatory and unscrupulous practices that have been an unintended consequence of earlier reforms, and that measures are proposed to ensure students are *"better protected and supported, to make informed training decisions that could have the best chance of meeting their needs, and to avoid being overly influenced by providers"*.

The paper proposes better information and support services, including the potential for *"information hubs"* that could be *"established across Victoria to assist students in their decision making. This could be a partnership with different specialist agencies"*.

Melbourne City Mission supports this proposal and takes this opportunity to express our strong interest in being part of a conversation with the VET Funding Review Secretariat and the Department of Education and Training about developing and piloting an information hub at Melbourne City Mission. Melbourne City Mission has a range of integrated youth services hubs throughout metropolitan Melbourne that would be appropriate pilot sites for such an initiative. One such example is Frontyard Integrated Youth Services, centrally located in the Melbourne CBD.

Frontyard – a cornerstone of the Victorian youth services sector for more than three decades – comprises a collection of 13 independent community service organisations working collaboratively to address a full range of physical, emotional and social needs of young Victorians.

In 2014:

- Frontyard had a total of 6430 visits from young people seeking support, which generated nearly 10,000 referrals/requests for service across the different Frontyard programs (which include education, free housing assistance, legal advice, primary health care, allied health, counselling, family mediation, and youth-focused community programs – for example, arts projects).
- Another 3000 students from across Victoria visited Frontyard on school tours.
- Additionally, Frontyard received in excess of 25,000 phone calls from across the State.

Frontyard would be exceptionally well-placed to serve as a pilot for an information hub, given:

- Education re-engagement is an established part of the service offering. Information is about education, training and employment is captured at initial intake and assessment, and is part of the planning for a young person. Young people can access education onsite, in Melbourne City Mission's Melbourne Academy classroom.
- Frontyard's high brand recognition by young people, schools and community services, and high rates of peer referral.
- The Department of Education and Training's capacity to leverage a comprehensive range of other complementary student supports if it located an information hub at Frontyard. Frontyard's current suite of services includes free housing assistance, legal advice, primary health care, allied health, counselling, family mediation, Centrelink, and youth-focused community programs, for example, arts projects.
- There are excellent processes and systems in place. The Frontyard operating platform – for which Melbourne City Mission is responsible – includes common assessment, intake, data sharing, and storage and release of information. For young people, navigating Frontyard is seamless.

Melbourne City Mission's feedback on the *Issues Paper*:

Measures to address disadvantage

- ***Compulsory or minimum student fees***

As per our initial submission to the VET Funding Review on 10 April 2015, Melbourne City Mission established its Registered Training Organisation to re-engage young people who face significant barriers to participation and attainment. The model has been designed against a backdrop of increasing levels of youth disengagement and rising youth unemployment.

Our student body comprises some of Victoria's highest needs learners – young people with multiple and complex disadvantage – including:

- young people who are experiencing homelessness
- young women who are pregnant or parenting
- young people who have grown up in families characterised by inter-generational early school leaving and long-term unemployment
- young people who have had engagement with statutory services.

Our student cohort has negligible discretionary income.

Whilst we understand the drivers behind the proposal to reintroduce a compulsory or minimum student fee, there is a need to ensure highly marginalised learners are not excluded from Vocational Education and Training.

Melbourne City Mission notes that the Issues Paper makes reference to “*appropriate equity measures*”. We welcome the ideas around “*concession arrangements*” and “*funding pools for high-needs students*”, however, have reservations about student loans for this cohort, even if the loans are “*income contingent*”.

The cohort of young people we are working with often come to us in poor financial health. For example, it is not uncommon for young people who have been homeless to have thousands of dollars of public transport fines accrued. Introducing a conversation about loans during the re-engagement process runs the real risk of highly vulnerable young people walking away from VET altogether. It may also open the door for further unscrupulous practices by some providers manipulating disadvantaged young people into loans that they do not want and/or loan structures that they do not understand.

- **Protocols for online learning**

Melbourne City Mission is pleased that the Issues Paper acknowledges the opportunities associated with online delivery. We agree that there is a need to ensure quality in relation to online learning.

From Melbourne City Mission's perspective – working with highly disengaged learners – online delivery can be a useful stepping stone on the VET pathway.

We are currently piloting online delivery through our Connect Youth program. This program is targeted at the most disengaged cohort –these are students whose barriers to learning are so steep that they are not ready to step foot into one of our high support classrooms, but are prepared to have an initial ‘go’ at trying something online.

We have established the following protocols and parameters to ensure quality:

- Regular face-to-face contact with a tutor and case worker
- Engagement in small group workshops along the way
- Small group tutorials
- Rigorous assessment processes conducted by trained assessors, and assessed to the highest standard in line with curriculum material.

- **Reforming funding of Certificates I and II**

At enrolment, approximately 95 per cent of Melbourne City Mission’s students do not have the requisite literacy and numeracy level for their age, and have insufficient education to undertake industry specific training.

In our April submission to this Review, we noted that Foundation courses are a critical part of the re-engagement pathway for our students. We also noted problems with the existing ‘two course’ rule in the context of Foundation courses. We are pleased that the Review has captured stakeholder concerns and is seeking to address these.

Melbourne City Mission notionally supports the proposal to introduce a broad-based VET preparatory year. Indeed, we believe that community providers like Melbourne City Mission are well-placed to **deliver** the proposed preparatory year.

Melbourne City Mission not only has proven specialist expertise in re-engaging Victoria’s highest-needs learners but – additionally – offers a compelling value-add in the way in which supports from other parts of its service platform can be leveraged and integrated (most of our classrooms are located in youth services settings, and there are also established referral pathways to complementary services located at other Melbourne City Mission sites, including services at our integrated children’s hubs, disability services, and programs and services such as mentoring, tutoring, out-of-class education support, work placement support and employment services).

That said, course design would need to take into account the barriers some learners will face in relation to committing to a full preparatory year. Whilst Melbourne City Mission has previously expressed concerns about the risk of students disengaging if they can only access 300 to 400 hours of study in a year (equivalent to two foundation courses) compared with a full-time study load of 1000 to 1200 hours over a year, we also know that the re-engagement process can be complex. This would need to be acknowledged and built into the course design.

We suggest that various levels of preparatory studies are required (for example, an adult student who disengaged from education at Year 7 or 8 needs a significant amount more time than a student who disengaged or did not do well at Year 12). We contend that three levels of time frames from 12 to 24 months, with different supports in place to extend a student education level to Year 12 equivalent, would be the minimum requirement.

Our experience at Melbourne City Mission is that students who are re-engaging take three years to achieve Year 12 equivalence.

Accountability and outcomes are crucial elements of a robust publicly-funded VET system, however, the system needs to have some 'give' for high needs learners after a significant period of disengagement.

In Melbourne City Mission's experience, Foundation Skills courses have proven to be a genuine pathway for our students – they have been integral to highly disengaged young people experiencing their first taste of academic success. Any repackaging of Foundation Skills into a preparatory year would need to be carefully progressed, to ensure the full range of student needs are met.

- **Proposed classification system**

Melbourne City Mission supports the idea of a classification system, but it is critical that any classification system is calibrated so that it does not disadvantage community providers such as Melbourne City Mission which work solely with students with multiple and complex disadvantage (for example, approximately 90 per cent of our student cohort fits under the Department of Education and Training's definition of 'complex trauma', as presented in *Trauma Informed Classrooms* material and training).

Melbourne City Mission notes that the previous Commonwealth employment services program, Job Services Australia, employed a star rating system that used regression analysis. There are a number of ways that outcomes could be weighted in recognition of learners from disadvantaged backgrounds.

Victoria University identified the importance of reporting on a range of social and community indicators, as well as academic indicators, in its recent 12-month evaluation of Melbourne City Mission's Melbourne Academy. These indicators – set and measured by Victoria University – included:

- **Attendance and participation** – 83 per cent of Melbourne Academy students agreed they were more likely to come to school. Over the course of the year, the proportion of students who were 'engaged' increased from 44 per cent to 76 per cent in terms of class participation and from 59 per cent to 78 per cent in terms of satisfaction in their own work.
- **Aspiration and motivation** – aspiration is pivotal for enhancing young people's access to post-school pathways. In the student survey, 86 per cent listed working in a job that interests them as their future aspiration and 83 per cent indicated that they were attending the Melbourne Academy to gain their VCAL in order to achieve their goals.
- **Connections with peers and community** – a key component of connection to the Melbourne Academy is having family, friends and other significant people supporting and encouraging the young person to do well. In the student survey, 93 per cent indicated they got on better with teachers at the Melbourne Academy; 75 per cent indicated they are with friends at the Melbourne Academy; and 90 per cent indicated their family encouraged them to do well.

In terms of **attainment**, Victoria University found despite significant educational barriers, 65 per cent of the cohort completed all or part of their VCAL certificate in 2014, and many worked towards VET certificates. Victoria University reported that most students would not have achieved these qualifications without the opportunity to attend the Melbourne Academy.

This comprehensive range of indicators is something to consider in the context of a classification system, as well as in the context of any future changes to the funding model – particularly any movement towards outcomes-based payments.

Further information

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