Allegations on unscrupulous vocation training programs that are ripping off apprentices have been featured on the ABC's 7.30 program this week and as a result of the stories about these privately run schemes, the Victorian regulator has now launched an investigation. The program is still receiving dozens of emails suggesting dodgy training schemes are rife across the country. In a moment we’ll speak with the head of the authority which regulates most of the private and public training providers across Australia about why these apparently dodgy schemes have been allowed to continue.

But first let's take a look back at last night's 7.30 story from Caro Meldrum-Hanna.

CARO MELDRUM-HANNA: It could be the biggest crises in education that this country has ever seen. The demise of traditional trade schools or TAFEs and the rise of private training companies.

MICHAEL CALLAHAN: Millions, absolutely millions and millions of dollars will have been wasted on no training effectively. A lot of people just fleecing the system.

DAVE NOONAN: In respect of some private providers we've got very serious concerns that the training that's being provided is really of what we'd call a tick and flick nature.

MICHAEL CALLAHAN: The auditing system is simply a paper trail and it's really easy to fabricate a paper trail.

MALE 1: Want to screw them together first then.

CARO MELDRUM-HANNA: Across Australia hundreds of young apprentices say they are being ripped off and left unemployable with a worthless qualification. 7.30’s investigation focussed on this company: Bendigo based private training provider, Skill Training Victoria. It says it provides affordable and quick apprenticeships in building and construction but 7.30 was told that onsite training consisted of little more than a series of staged photo shoots designed to give the appearance of training in order to secure more and more government funding.

CAMERON DALGLEISH: It's not really training. It's just like a - it's more like a scam.

STUART CAMERON: The hours that are on the paperwork they were not correct hours.

CARO MELDRUM-HANNA: But they were passed off as being correct?

STUART CAMERON: They were signed off, yeah.

GLENN CLARKE: I understand that private RTOs you know have to make money so to speak but the shortcuts they were taking were, you know, unbelievable.
ANGELA YOUENS: It's bullshit. You know it's like when you joke around and say where'd you get your license from, a weeties box? Except you didn't even get breakfast out of this one.

CARO MELDRUM-HANNA: 7.30 can now confirm that Skill Training Victoria is being investigated by the state regulator the Victorian Registration and Qualifications Authority.

LYNNE GLOVER: I was shocked at the nature of the allegations. We're very concerned if any apprentice or any member of the public is put at risk through poor quality training and as a result we've commenced an immediate investigation.

CARO MELDRUM-HANNA: Skill Training Victoria is just one of more than 5000 private training providers that have opened up across Australia in the past decade. It's a booming and lucrative market and the allegations of inadequate training aren't isolated to just one company.

PETER JACOBSON: The bricklayers were here yesterday in fact who got his qualification at a private RTO, he's got a Certificate 3 in bricklaying but he can't lay a brick. He actually came here looking to re-train. The trouble is we can't re-enrol him because he's already got a Certificate 3 in bricklaying so that's a tragedy for him. He's used his share of the government funding to pay for a qualification but he hasn't learnt anything.

CARO MELDRUM-HANNA: 7.30 has learnt of similar accusations against another leading private vocational training provider, Trade Institute of Victoria. Its website describes the training it provides as special but John Challis, a former trainer with the company, says it's anything but.

JOHN CHALLIS: When I walked in one of the first things I thought you've got to be one of the most disorganised organisations I've ever worked for. That will cover quite a number of units but its staged.

CARO MELDRUM-HANNA: Challis says he was asked to stage photos of apprentices completing modules of practical work so that the company could then bill the government for what appeared to be legitimate training.

JOHN CHALLIS: There was no guidance except just get the evidence even if you've got to get a photo that's been, you know, staged et cetera. I don't care. Just get the evidence and we want it done quick because it's money to us.

CARO MELDRUM-HANNA: Yesterday Trade Institute of Victoria terminated Challis’ employment contract.

JOHN CHALLIS: And I've questioned would, if I was still working for them, would I have spoken up and I think the answer would be yes I would have. For me to tick off someone that's competent when clearly they are not, that totally goes against my morals and the grain of things.

CARO MELDRUM-HANNA: Trade Institute of Victoria rejected our request for an interview. 7.30 continues to be inundated with nationwide claims that wrouthing and misappropriation of government funding is rife across almost all vocational training sectors. The question is when will governments put a stop to it?

JOHN CHALLIS: In years to come everyone - the government are going to say we've skilled our workforce, we've got all this in place but these people will be out working in the workforce with no idea on what they're doing.

ANGELA YOUENS: We're going to end up with an unskilled workforce which makes it dangerous not only for the people that work with them, but also public.
I mean you'll have houses falling down because they don't know what they're doing.

PRESENTER: Well joining me now to discuss these alleged training scams is Chris Robinson. He's the Chief Commissioner of the Australian Skills Quality Authority. It regulates public and private training providers across Australia and Mr Robinson joins me from Brisbane. Chris Robinson, just how many unscrupulous providers of vocational training are there?

CHRIS ROBINSON: Well the Australian Skills Quality Authority was set up just 12 months ago to really start to look into these sorts of issues and to make sure that regulation of training providers in Australia is of much higher quality.

PRESENTER: So what have you found in that past year?

CHRIS ROBINSON: So far we've found that about five per cent of the thousands of providers that we've had a look at do have serious issues and we've taken action in 200 cases to either terminate their registration or refuse their application for re-registration or refused their applications for adding new courses to their programs.

PRESENTER: So that would suggest there's a very big problem in this sector if you've already been able to shut down or limit the use of hundreds of providers?

CHRIS ROBINSON: About 200 in total so far but we are rolling out a very big audit program in Victoria. We are highly concerned about what's been happening in Victoria and we've had more complaints from the public and students and the employers about RTOs in Victoria than in any other state and we've rolled out a major audit program where we've got about 55 per cent of the training providers that we regulate in Victoria where we've either audited them or we're in the process of auditing them or we've scheduled an audit. In the case of that institution that was featured in the 7.30 report last night we had already identified that one as one that was of high risk and requiring an audit and we had had an audit scheduled for September.

I've asked my team in Victoria to bring that audit forward and undertake it as soon as possible after the issues that were raised in last night's program. We haven't had a complaint about that particular RTO prior to the program last night.

PRESENTER: The 7.30 program is still receiving dozens of complaints about providers all over the country, how did this sector get so out of control then?

CHRIS ROBINSON: Well I've - as I said, about five per cent of the training providers that we've looked at so far we have concerns about so there's a big group out there that are doing the right thing and providing good quality training to people, but of course...

PRESENTER: But also a big group who aren't doing the right thing. You've said yourself...

CHRIS ROBINSON: Well there's a significant...

PRESENTER: ...200 cases that they deal with. You know hundreds of young people. I mean who's responsible for things getting so out of control?

CHRIS ROBINSON: Well the industry has grown up over many decades and it's true to say that you know the arrangements were changed to allow more private providers to operate in Australia. We're now responsible for regulating most of Australia. Part of Victoria is still regulated by the Victorian
Authorities. We've certainly lifted the bar on letting new people into the industry as well. We want to make sure that people are very prepared to offer a high quality training program before we allow them to operate and we're working our way through the existing training providers to make sure that everyone is actually meeting the standards required and as I said, we're finding that in about five per cent of cases there are serious concerns and in some cases that's leading to the closure of the organisations.

PRESENTER: But if there is complaints continue to flood in and certainly 7.30 is reporting that it continues to get dozens of complaints as I mentioned earlier, does that suggest that perhaps your organisation needs to change the way that you investigate and check on these training providers and indeed do you need more power to crack down on these unscrupulous providers?

CHRIS ROBINSON: Well no, we've been established with a very much enhanced set of legislation to enable us to take action and we are taking - we've been going for 13 months so far and we have big inroads already in that time. So far we received about 700 complaints from people around Australia. I've asked my team in Melbourne to make contact with the 7.30 report today to ask them to hand over the complaints that are coming in to them about training providers and we'll certainly follow up on the ones that are coming through the interest that's been raised by the ABC and 7.30 report.

PRESENTER: But my point is that your organisation, which is supposed to supervise these training providers, is obviously being caught a little bit flat footed in some cases because programs like 7.30 have been getting a lot of complaints as you say some complaints that you've never heard of.

CHRIS ROBINSON: Well no, we had already assessed this RTO as one of concern and we had scheduled them to have an audit which isn't a paper-based trial. It's a site inspection and a going through their operations and we had that planned for September. The program I think raised some very serious issues and I've asked my team to bring that audit forward because of the seriousness of the issues that were raised on the program.

PRESENTER: Alright Chris Robinson from the Australian Skills Quality Authority we'll have to leave it there. Thank you for joining us from Brisbane today.

CHRIS ROBINSON: Thank you.

PRESENTER: And tonight the ABCs 7.30 program will speak with the Federal Minister for Tertiary Education, Skills and Training, Senator Chris Evans, to discuss this unfolding scandal. That's tonight at 7.30 on ABC One.

- ENDS -

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