

## Appeal for Fair and Equally Funded Education for residents of Northern Territory

The following abbreviations are used throughout the document which mean the following

NTG – Northern Territory Government

CDU – Charles Darwin University

RTO – Registered training organisation

Small Private RTO – Small RTOs with typical turnover under 1 million

The total nominal hours for a typical Certificate IV are 1360 AHC. The total domestic course fee at CDU is \$23,120. Which equates to a rate of \$17 per hour. Under the Northern Territory Government's recurrent funding subsidy, the fees are fully covered by NTG (Northern Territory Government) but CDU (Charles Darwin University) charges another \$3.20 per hour as admin fee. Therefore, their VET fee is additional 1360hrs X \$3.20 i.e. \$4352 from each student

Here are how course earnings look like for CDU in comparison to a private RTO in Northern Territory for the same course

CDU – Typical Course earnings	\$27,472
Small Private RTO – Typical Course earnings	\$15,000

But the course fee through the eyes of student looks like this

CDU – Course fees	\$4,352
Small Private RTO – Course fees	\$15,000

Clearly the student would choose CDU as they are a cheaper option not knowing that they are funded by the government. It also creates false understanding that private RTO's are very expensive but in fact small private RTOs are nearly half the cost to the taxpayers

CDU receives what's called a "recurrent funding" which allows them to operate courses at such low costs. This funding is not available to any private RTOs and there is no information on how to apply for this funding anywhere. There are other funding options available such as "build skills program" which require an application and a lot of groundwork with the industry to get a few allocated seats every year. This exercise could cost 6 weeks of trainer's time to engage with the industry stakeholders and writing reports. This comes out of the small private RTOs budget which is another huge expense. All this while CDU keep getting funds year after year

Every time a small private RTO has to buy equipment it has to do so through its own capital or in few occasions NTG would give 50% funding. On the other hand, CDU gets millions for equipment and simulators without any co contribution which every private RTO has to make. This money is conveniently redirected for other spending's without the knowledge of the public. There is no transparency of how the funding was used by CDU

Another issue is that CDU staff are telling FIFO interstate students to get a NT address so that they can enrol as NT students to get access to funding and complete the course which further reduces the intake of students for small private RTOs. No student will complain about this to anyone as it's in their best interest to keep this matter quiet. Both parties' benefit. CDU wins as they increase their student intake and can charge more to the NT government and interstate student benefits as they do not have to pay full fees.

The students of many small Private RTOs are mainly people already in the workforce trying to upskill so they can keep up with technology and in turn keep their jobs. After a juggle between work and family commitments students can only do the course through private RTO as they offer a flexible course delivery along with night classes. It's unfair for the students that they have to pay

3 times more fees for the same course when CDU charge \$4080. As NT tax payers they deserve the same level of opportunity and access to same level of funding regardless of which RTO they choose. CDU has an open checkbook to enrol as many students as they like while getting funded. For example, regardless of what the industry requires CDU can blindly keep producing infinite number of carpenters just because they can. It's a supply driven market and not a demand driven market in the NT. In my experience not many students have come out of CDU stating that they had a great experience after all that funding.

After spending millions CDU cannot even come up with a "wow factor" for student's experience. Students are getting 20-30K course for less than 5K and they still cannot impress them. There is full time marketing staff, student engagement officers, career counselors and they cannot provide value to the students. These staff members are not available to the small private RTO students as they cannot justify paying them. Most small private RTOs have emerged due to lack of quality education in the market. Usually by some entrepreneur-educator who has a dream that he/she can provide better value and better education to the students. Their main focus is quality training rather than glossy flyers, marketing, writing fluffy reports, and endless meetings. Another expense is the rent for the premises which CDU does not have to pay for acres of real estate. On the contrary small private RTOs are paying premium to have few hundred square meters of space close to transport

CDU gets millions of dollars in funding every year and they manage to lose millions of dollars of taxpayers money every year but they keep getting bailed year after year. Last year they lost 90 million dollars of taxpayer's money and the government payed them another 70 to help them out. Imagine a private organisation losing that kind of money. They would have to close their doors forever. In the NT the university can be as wasteful and inefficient as they like but they always get bailed out. Attached is the financial report for CDU for the year 2018

The main reason for this letter is to make the funding portal transparent in the NT which can be accessed by all providers public or private. We would like to ensure that the education delivery of these courses is not monopolized giving a "Fair Trade" playing field to all providers and students alike

### **Conclusion:**

The process for applications of grants and funding should be made transparent in the NT so all providers including small private RTOs, Public RTOs, Community colleges can apply for it through the same process and scrutiny and pass on the benefits to the NT residents and taxpayers

### **Issues to be addressed in NT**

Contestable funding in NT

Funding and pricing of VET in NT

Supply driven agenda of the public provider in contrast to demand driven by employers in NT

Lack of transparency in NT

Barriers to access in NT

Barriers to growth in NT

Monopoly of the Public provider (CDU) in NT

Pubic provider undercutting private RTOs into closure in NT

## One example course screenshot from CDU Website



Phone: 1800 061 963  
Email: [vet.enquiries@cdu.edu.au](mailto:vet.enquiries@cdu.edu.au)

ENQUIRE NOW

HOW TO APPLY

Students will need to demonstrate an appropriate level of language, literacy and numeracy skills and knowledge to undertake a course at this level.

### Course fees

Based on course nominal hours of between 1020 hours, approximate 2020 course fees will be:

**VET Tuition Fees:** \$3,468.00

**Domestic Full Fees:** \$17,340.00

The following Fees are applicable to this course:

#### Domestic Students

##### Domestic full fees

This is a full fee paying course. VET full fees will apply to all new and continuing domestic students enrolling in this course.

**2019:** Information about fees for non-subsidised VET courses is available 2019 VET Fees.

**2020:** Information about fees for non-subsidised VET courses will be published as soon as it is available.

##### VET tuition fees

This course is subsidised by the NT Government.

**2019:** Information about 2019 VET Tuition fees for eligible NT residents is available 2019

VET Fees VET Tuition Fees for **2019** will be charged at **\$3.20** per nominal hour for subsidised training.

**2020:** Information about **2020** VET Tuition fees for eligible NT residents will be published as soon as it is available.

## Attachments

- Financial plan for year 2018 CDU (Charles Darwin University)
- DTBI (Department of trade business innovation) Annual Report