



ACTA INTERIM STATEMENT
on
THE REFORM OF THE AMEP DISCUSSION PAPER

Towards an Outcomes-Focussed Model for the AMEP

29/06/2021

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Executive Summary

ACTA warmly welcomes the Government's plan "to make English language tuition more accessible, ensure better quality outcomes and encourage greater participation" (Discussion Paper, p. 3). We endorse the AMEP goals of "advancing social participation, economic well-being, independence, and personal well-being; all contributing to enabling the full participation of migrants in Australian life" (p. 3).

This interim statement proposes five measurable outcomes that would guide and promote these goals through the AMEP. These outcomes are:

- 1) **participation** (comprising enrolments and retentions)
- 2) **English language gains** (assessed using the common national curriculum, the *EAL Framework*)
- 3) **student satisfaction** (using a consistently and appropriately designed survey that is routinely administered)
- 4) **program quality** (using a comprehensive set of AMEP Program Standards)
- 5) a **robust evidence-base**.

ACTA recognises that the first round of reforms to AMEP eligibility requirements has given rise to a serious question: ***how can resourcing the AMEP now be made accountable?*** We propose that KPIs should relate directly to the outcomes above. We offer detailed suggestions as to how the AMEP's performance can be measured and evaluated against evidence-based benchmarks for Outcomes 1 – 4.

In carefully considering the Discussion Paper and attending the Departmental consultation forums, we have concluded that:

- the outcomes/outputs incentivised by the proposed payment system are **reports on student assessments**
- the only significant difference between payments for *student hours* and payments for *reports on assessments* is that the latter presents providers with **increased risk of not recouping set-up and ongoing costs**, because of the increased time delay in receiving payments for reports, and the greater uncertainty that students will remain in the AMEP to be assessed
- this increased risk will **threaten providers' viability and teachers' employment**
- the threat to provider viability and teacher employment, and the payment system largely dependent on assessment reports, will incentivise **increased student assessments**, which will dominate, narrow and distort classroom tuition, and also determine how students are placed in or excluded from regular classes
- **the exemption of the Community and Workplace Learning Fund from incentive payments** will encourage providers to move students who do not attract assessment-based payments into that component of the AMEP. Irrespective of individual students' needs, aspirations and desire to participate in regular AMEP classes, the payment system will incentivise providers to over-ride these students' own preferences and their ability to choose. It cannot be assumed that students with life situations that slow their completion of curriculum units lack motivation to achieve and will do better in "conversation classes" (p. 11)
- outcomes payments will incentivise **undesirable distortions, effects and gaming**, all of which will undermine trust and collaboration between teachers and students, teachers and managers, and teachers and managers and the Department
- mitigating the perverse incentives inherent in the payment system will necessitate **expensive and intrusive performance management** and override a focus on promoting substantive AMEP outcomes.

Payments linked to assessing students will undermine quality assurance, limit accessibility and discourage participation in the AMEP. In contrast, ACTA's proposals seek a means of governance that supports and promotes substantive, measurable outcomes to further the welcome goals of the AMEP reforms.

1. Preamble

The Department of Home Affairs has released a Discussion Paper outlining proposals for further reforms to the Adult Migrant English Program: [AMEP Reform Discussion Paper 11 May \(homeaffairs.gov.au\)](#). The Department is seeking feedback on these proposals from stakeholders and all interested parties.

The central proposal is to make **67% of funding to AMEP providers contingent on “student unit completion” and “student Certificate achievement”**¹ as defined in the new common national curriculum, the Victorian *English as an Additional Language Framework*.²

This interim ACTA response follows from briefing meetings (four on-line and one face-to-face) conducted in early June in collaboration with AMEP teachers in member State/Territory associations. These meetings attracted well over 200 participants. Our response also reflects our participation in a DHA consultation forums on 17th and 23rd June, 2021.

Here we set out ACTA’s thinking regarding:

- (1) what should constitute **valid AMEP outcomes that can be reliably measured**,
- (2) **the key components** of the AMEP as they relate to outcomes and funding
- (3) **the adverse impact** of funding contingent on students’ unit completions and certificate achievements.

The AMEP outcomes that ACTA proposes have been warmly endorsed in the meetings we have conducted. Participants have requested a way to access this material, which has prompted this interim response to the Discussion Paper.³ We will also be making a formal submission using the DHA format.

2. AMEP Goals and AMEP Outcomes

Acknowledging numerous reviews and critiques of the Program over many years, the Commonwealth Government has begun the welcome process of reforming the Adult Migrant English Program. In the first phase:

- 1) **the 510 hour limit on tuition entitlements** has been replaced by unlimited hours of tuition in recognition that individuals learn languages at different rates to reach desired proficiency levels in English (p. 4)
- 2) the exit point for English proficiency has been raised to **“vocational English”**, which is defined as ACSF level 3, IELTS 5.5 or equivalents⁴
- 3) **time limits on the registration, commencement and completion of tuition entitlements** have been removed for adult migrants in Australia on or before 1 October 2020.

The main function of the previous AMEP eligibility requirements was to prevent unlimited and inappropriate access to tuition and therefore provider claims for remuneration. This function was clearly

¹ *Reform of the Adult Migrant English Program* Discussion Paper, pp. 6 & 8. In the Consultation Forum (Thursday 17 June, 2021) it was stated that “completion” could entail passing or failing the assessment for that unit. It is unclear at this moment how many attempts at an assessment task would be paid for.

² The *English as an Additional Language Framework* is accredited through the Victorian Registration and Qualifications Authority. http://www.williamstown-spotswoodcc.org.au/wp-content/uploads/22482_22492VIC-EAL-Framework.pdf

³ [Advocacy | Australian Council of TESOL Associations](#)

⁴ ACSF = Australian Core Skills Framework. IELTS = International English Language Testing System.

stated when these requirements were legislated in 1992 in the move to competitive contracting for the AMEP.⁵

The Discussion Paper describes this funding model as “input-based”:

The current AMEP model is input-based, where payments are made to the provider based on the number of hours of tuition they [sic] deliver. (p. 7)

This funding model offers only tangential insight into the purpose of the AMEP, and hence the rationale for funding it, and no way of monitoring what it *actually* achieves, aside from delivering tuition hours. Various ad hoc, inconsistent, narrowly defined and sometimes unworkable KPIs have been (and are) even more opaque in revealing the AMEP’s purpose, much less whether it is fulfilling this purpose.

The shifting and often misdirected focus of criticisms of the AMEP, including those listed in the Discussion Paper (pp. 3-4), exemplify this lack of clarity about what this Program is supposed to achieve.

Removing the limits to AMEP eligibility and tuition gives rise to the legitimate question of how to regulate access to the AMEP and hence remuneration to providers. The question is: ***how can resourcing the AMEP now be made accountable?***

The answer advanced in the Discussion Paper is an “outcomes-based funding model”. This focus on “outcomes” immediately throws the spotlight back to two fundamental questions, a development ACTA welcomes:

1) what is the AMEP supposed to achieve?

and

2) how can we determine if (and to what extent) it is doing this?

A starting point in answering these questions is to distinguish between the **national goals** which the AMEP serves and **program outcomes** that can be validly and reliably measured in assessing its performance.⁶

2.1 What are the national goals to which the AMEP should contribute?

The AMEP is funded by the Commonwealth Government to support Australia as an immigration nation. Its broad goals have been variously specified but can be roughly summed up as **promoting adult migrant English language learners’ success in:**

- settling in Australia
- accessing pathways into training, education and employment
- achieving individual/personal and collective social and economic well-being
- contributing to overall social cohesion.⁷

The AMEP’s *contribution* to these broad national goals can and should be researched and, as appropriate, measured, including over time.

⁵ The intention to move to competitive contracting was announced in 1991. The first competitively tendered contracts began in 1996.

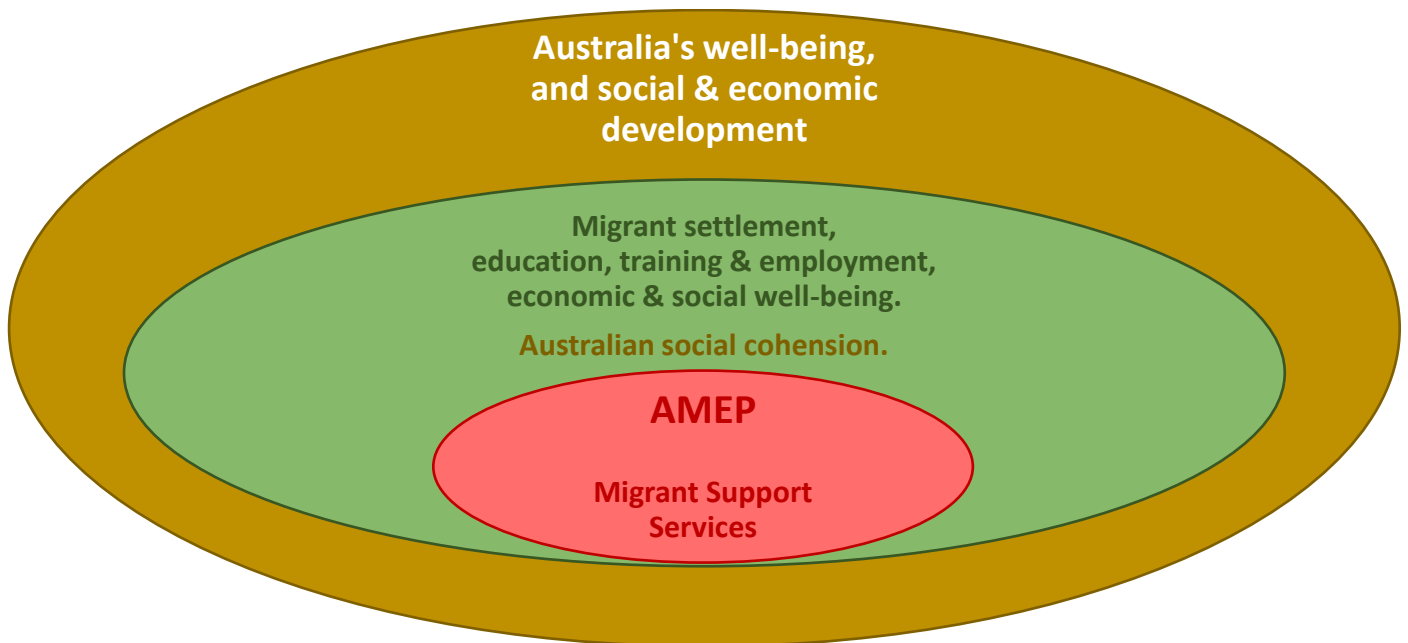
⁶ By *valid* is meant that the measures are appropriate to what is being measured. By *reliable* is meant that measures are consistent and independent of extraneous factors.

⁷ The DHA Discussion Paper refers to “better educational and employment opportunities, engage[ment] in our democracy, and build[ing] lasting relationships with other members of the Australian community” (p. 3); “social participation, economic well-being, independence, and personal well-being; all contributing to enabling the full participation of migrants in Australian life” (p. 3).

Although the AMEP contributes to these goals, achieving them depends more on what happens to people *after* they exit the AMEP than on their experience in the Program. For example, the state of the labour market – over which the Program has no control – is the main determinant of employment outcomes. It follows that, although it is important to know (and find out) how the AMEP is contributing to these national goals, assessing *the AMEP's actual performance* using measures of exiting students' success in relation to any or all of the goals listed above would be invalid and unreliable.

The context in which the AMEP operates, including the national goals it serves, can be roughly represented in Figure 1.

Figure 1: The AMEP and national goals



2.2 How can we assess the AMEP's performance?

2.2.1 ACTA's proposal

The AMEP's performance can and should be assessed in relation to **outcomes which, to a significant extent, are under the control of those who administer and deliver this Program**, that is governments (viz. policy makers and Departmental officials) and providers (viz. managers and teachers).

The AMEP can be held to account and its performance validly and reliably assessed as follows.

- 1) **Adult migrants' participation** in the AMEP can be measured over time and evaluated in relation to evidence-based benchmarks for various learner cohorts, taking account of key external variables, most notably (un/)employment rates.⁸
- 2) **AMEP students' English language gains** can be measured, tracked and evaluated against evidence-based benchmarks for various cohorts, taking account of entry levels and the time they spend in the Program.⁹

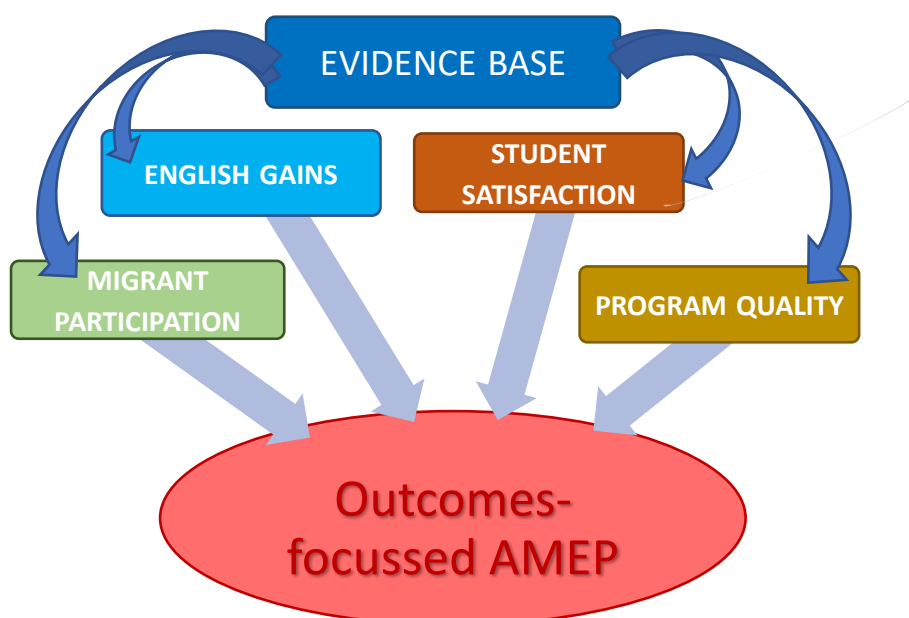
⁸ One might expect that participation rates (i.e. enrolments and retention rates) would be higher when unemployment rates are high. Clearly, those with higher levels of English will be in the AMEP for shorter periods.

⁹ The Discussion Paper implies that the only significant variable that has been shown to determine learner outcomes in the AMEP is level of previous education (Q2, p. 9). In the 17 & 23 June Forums, it was explained that this claim rests on an analysis of ARMS data based on reports of learner progress as measured by the Australian Core Skills Framework (ACSF). The claim defies teachers' experiences and established research to the extent that it throws the validity of the data and analysis in doubt. As ACTA has documented in previous submissions, ACSF measures were neither valid nor reliable.

- 3) **AMEP student satisfaction** with their AMEP experience in relation to program quality, personal goals and the overall national goals the AMEP serves can be consistently and routinely documented, measured, tracked over time and evaluated against evidence-based benchmarks.¹⁰
- 4) **AMEP provider quality** can be assessed according to recognised Standards for English language programs for adult migrants; these assessments can be mapped on to an A-E quality ranking scale.
- 5) **A robust evidence base** can be developed that:
 - provides benchmarks for 1 – 4
 - documents AMEP’s contribution to national goals
 - creates knowledge and feedback loops for continuous improvement.

Figure 2 below is a diagrammatic representation of the above.

Figure 2: An Outcomes-Focussed AMEP



Further, it is unclear whether retention and attendance rates related to achievement were included in the analysis. For recent relevant research that does not support these findings, see, for example:

Helen L. Blake, Laura Bennetts Kneebone & Sharynne McLeod (2019) The impact of oral English proficiency on humanitarian migrants’ experiences of settling in Australia, *International Journal of Bilingual Education and Bilingualism*, 22:6, 689-705, DOI: 10.1080/13670050.2017.129455 [The impact of oral English proficiency on humanitarian migrants’ experiences of settling in Australia: International Journal of Bilingual Education and Bilingualism: Vol 22, No 6 \(tandfonline.com\)](https://doi.org/10.1080/13670050.2017.129455). The data base for this study was 2399 humanitarian migrants interviewed in 2013/14.

Cenoz, J. (2001). The Effect of Linguistic Distance, L2 Status and Age on Cross-linguistic Influence in Third Language Acquisition. *Cross-Linguistic Influence in Third Language Acquisition*, edited by Jasone Cenoz, Britta Hufeisen and Ulrike Jessner. *Multilingual Matters*, pp. 8-20. <https://doi.org/10.21832/9781853595509-002>.

A rigorous, comprehensive statistical 2018 study of adult migrants’ performance on Dutch exams to determine citizenship identified the following variables as significant: age, country of origin (assumed to reflect the extent and quality of education systems) and visa category (distinguishing asylum seekers, family reunion and economic migrants). Barneveld, 13 juni 2018 Referentie: MB/tg/000574 Auteurs: Michiel Blom, Linda Bakker, Matthijs Goedvolk, Gerlise van der Maas-Vos en Wijnand van Plaggenhoef Evaluatie van de Wet inburgering 2013 | Rapport | [rijksoverheid.nl](https://www.rijksoverheid.nl).

A mountain of research into the effect of torture and trauma on English language learning can be found on the web. For a summary, see [Trauma and Learning: Impacts and Strategies for Adult Classroom Success – MinneTESOL Journal and \(8\) \(PDF\) The Impact of PTSD on Refugee Language Learners \(researchgate.net\)](https://www.researchgate.net/publication/318111111_Trauma_and_Learning_Impacts_and_Strategies_for_Adult_Classroom_Success_-_MinneTESOL_Journal_and_8_PDF_The_Impact_of_PTSD_on_Refugee_Language_Learners)

¹⁰ Administration of a simple standard questionnaire (with normal identity protections and administered in spoken English or L1 to low level learners) should be standard practice at the end of each AMEP term.

Table 1 below outlines how individual providers' and overall AMEP performance in relation to these outcomes can be measured.

Table 1: Measuring AMEP Outcomes

<i>Outcomes</i>	<i>What should be measured?</i>	<i>What would count as success?</i>
1. Participation.	The number of adult migrant English language learners (i.e. those with less than “vocational English”) who participate in the AMEP.	Achieving or exceeding evidence-based benchmarks for enrolments and retention rates based on (1) long-term AMEP data on enrolments & retentions, (2) benchmarks established for Outcome 2, and (3) extrinsic factors, notably labour market data. ¹¹ See Outcome 5.
2. English language gains.	1) English entry & exit levels of those who enrol and stay in the AMEP for at least, say, 5 weeks. 2) Learner achievement of competencies in EAL Framework.	Achieving or exceeding evidence-based benchmarks for learner gains in the national AMEP curriculum (CSWE/EAL Framework) for different learner cohorts in relation to (1) their English entry levels (2) previous education (3) age (4) experience of torture & trauma, (5) mother tongue/first language, and other recognised factors that impact on language learning. See Outcome 5.
3. Student satisfaction.	AMEP student responses to validly and consistently designed and administered survey questions about their AMEP experience in relation to national goals, personal confidence & quality of teaching.	High satisfaction levels in relation to personal confidence, AMEP quality and its contribution to national goals. See Outcome 5.
4. Program quality.	Assessment of each provider’s performance on an A-E rating scale against a comprehensive, relevant and agreed set of program Standards, for example, the NEAS 2009 <i>AMEP Manual Standards and Criteria for AMEP Providers</i> (attached). ¹²	Providers performing at A or B level according to independent assessments of performance against these Standards by experts in program delivery, including teaching English to adult speakers of other languages.
5. A robust and credible evidence base that supports the AMEP overall and Outcomes 1-4 in particular.	The overall research base is not measurable in any meaningful way but specific research questions will include measurements that should be clearly valid and reliable. Measures of outcomes 1-4 will be valid and reliable <i>if and only if</i> benchmarks are based on a robust evidence base.	The evidence base meets the following criteria: <ul style="list-style-type: none"> • Sound evidence supports the benchmarks for Outcomes 1-4 and they are consistently applied from one contract to the next. • In-depth independent research: <ul style="list-style-type: none"> ○ shows how learners’ AMEP experience promotes the national goals served by the AMEP ○ pursues both specific and more general questions about the AMEP, its existing and potential students, and the Program’s contribution to national goals. • The evidence base supporting the AMEP is transparent and accessible to examination in the public domain.

¹¹ That is, retention benchmarks will vary according to the factors that determine rate and level of progress, which, in turn, relate to previous English proficiency and level of schooling.

¹² The NEAS AMEP Standards were developed following a recommendation from the Auditor General in 2001. They provide detailed specifications for the following 7 Standards: **Premises, Professional & Administrative Staff, Educational Resources, Program Delivery, Support Services, Program Evaluation** and **Program Promotion**. They have not been applied since NEAS was replaced as QA provider by Lynda Wyse and Associates in 2017. They could provide the basis for an updated version. They do not include provision for an A-E rating. However, to gain NEAS accreditation, all Standards must be complied with.

Consistent measurements of these outcomes would provide a clear picture of the AMEP's and individual providers' performance, including variations and improvements over time.

As far as ACTA can discover from publicly available reviews of the AMEP, no consistency exists in *any* measure of AMEP outcomes since the Program began in 1948 or even since 1996 and the first competitively awarded contracts.

2.2.2 The Discussion Paper

The Discussion Paper states that the reforms to the AMEP are intended to “make English tuition more accessible, ensure better quality outcomes and encourage greater participation” (p. 6). ACTA wholeheartedly supports these aims. The outcomes described above clearly reflect and promote these goals.

The outcomes specified in diagram “Key Reform Components” in the Discussion Paper (p. 6), and to which payments attach, are: **student enrolment, student unit completion, student Certificate completion and regional cohort loadings (where applicable)**. The relationship between the stated aims of the AMEP reforms and what will, in fact, be incentivised by payments for these outcomes is elaborated in Table 2 below. As this table shows, these payments would largely undermine the desirable AMEP reform goals outlined in the Discussion Paper, because these payments contain inherently perverse incentives that run counter to these goals.

See next page

Table 2: The relationship between reform aims and payments to providers for the outcomes specified in the diagram *Key Reform Components* (p. 6)

Aim of reform	POSITIVE EFFECTS <i>The regional cohort loading should incentivise providers to:</i>	PERVERSE EFFECTS <i>Payments for unit completion & Certificate awards will perversely incentivise providers to:</i>
More accessible English tuition	<ul style="list-style-type: none"> offer more & smaller AMEP classes in regional areas 	<ul style="list-style-type: none"> shift learners who cannot rapidly complete units and gain Certificates into conversation classes, irrespective of their aspirations to access accredited curriculum and structured teaching by TESOL qualified teachers.
Ensure better quality outcomes	Nil	<ul style="list-style-type: none"> assess students as often as possible so as to receive payments disregard individual learners’ readiness for assessment promote teaching narrowly focussed on assessment preparation ensure teaching conforms strictly to achieving curriculum outcomes and discourage any activity that is not directed to assessment (e.g. excursions) create large classes to mitigate risk & cut costs place “poor performing” students in “community-based” conversation classes because outcome payments do not apply, risk is lessened and costs lower – see above. restrict access to regular AMEP classes for learners most in need of quality teaching place teachers under pressure to assess and pass students under the threat of job losses instal “tick & flick” credentialing undermine the credibility of Certificates based on the <i>EAL Framework</i> game the system (through assessments & shifting students into community classes), preventing which will necessitate red tape, intense auditing and intrusive, time-consuming compliance checks.
Encourage greater participation	Nil	<ul style="list-style-type: none"> focus intensely on assessment (see above), which will discourage students and label them as failures move “poor” performing learners out of regular AMEP classes to those where outcome payments do not apply– see above.

The Discussion Paper states that “outcome payments will ... provide an incentive for providers to retain students in the program and help them progress in their English language skills” (p. 7). As Table 2 makes clear, payments tied to the particular outcomes listed in in the Key Reform Components diagram (p. 6) will, in fact, make the AMEP less accessible, reduce participation, reduce teaching to assessment-preparation, and make it impossible to determine the real quality of English language outcomes. We elaborate further in section 4 below.

3. The Components of an Outcomes-Focussed AMEP

3.1 Components in relation to outcomes

Figure 3 below is a diagrammatic representation of the components of an outcomes-focussed AMEP.

Figure 3: The Components of an Outcomes-Focussed AMEP

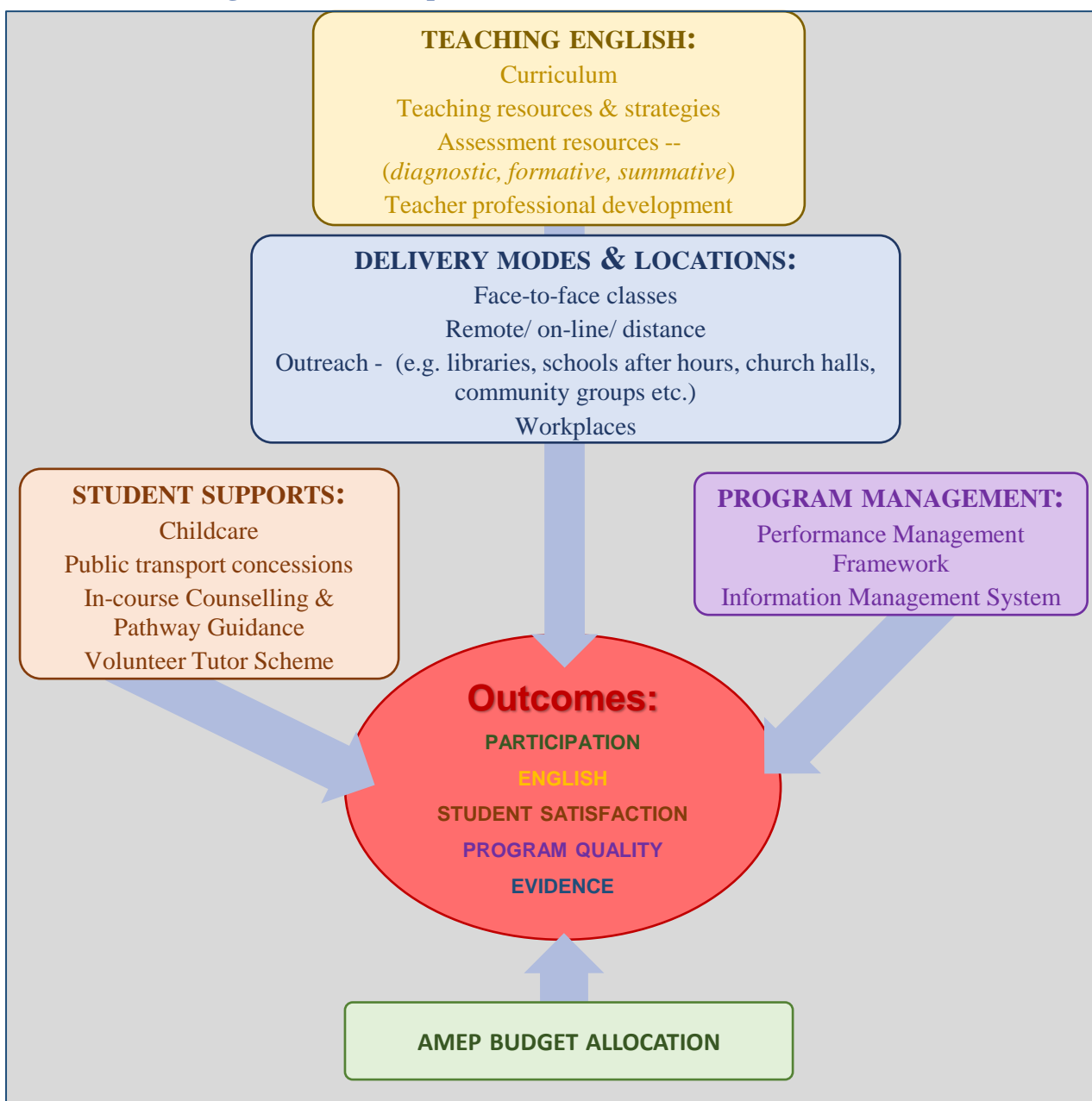


Figure 3 is somewhat different from the Discussion Paper diagram (p. 6), in that it identifies the **main components comprising the AMEP**, as follows:

- each component in Figure 3 is shown as **directed to achieving clear, genuine, comprehensive and measurable AMEP outcomes**
- **teaching English** is shown as the central component of the AMEP
- a **Delivery Modes/Locations component** is added showing how teaching is delivered in a variety of contexts and in different ways; both the CWL fund and on-line learning fall within this component; the assumption is that the curriculum (resources, assessment & teaching

strategies) is developed to allow for differently focussed streams (as with the old CSWE) within the coherent and common approach of the national curriculum (extended if required), and that modes of delivery contribute (as does everything else) to a comprehensive set of clear outcomes

- what appears to be intended by the “Community and Workplace Learning” is clarified as part of **outreach**
- **assistance with transport** is included in student support, which has frequently been identified as crucial to student access to AMEP classes
- **ensuring accountability** in the AMEP is located, as is proper and appropriate, with Program Management focussed on KPI benchmarks that relate directly to desired AMEP outcomes; benchmarks are evidence-based; compliance is assessed in ways appropriate to each outcome (see Table 1, column 2). See also 3.2 below.
- funding is clearly shown as supporting **all components of the AMEP as these are directed to achieving clearly specified outcomes**; it does not impact any one component in a distorting way.

3.2 Performance Management

The model depicted in Figure 3 relies on Performance Management to regulate the AMEP comprehensively. As the name indicates, the proper function of performance management is to document and promote the performance of the AMEP. Funding is not used as a disguised or proxy element of program management.

Performance Management should consist of:

- 1) **provider reporting** on enrolments, attendance and retentions, English language gains, and routinely administered student surveys
- 2) independent and expert evaluations that include annual site visits to assess provider performance against **AMEP Program Standards** that include a A-E ranking in relation to each Standard
- 3) **independent risk-based auditing** of 1) and 2)
- 4) KPIs based on evidence-based benchmarks for **participation, English gains, student satisfaction, Program Standards** (A-E rating scale) and **data collection and management** (at both provider and Departmental levels). See Table 1.
- 5) **periodic reviews** of the AMEP that include (i) **a consistent approach** to reporting on agreed AMEP outcomes, which therefore permit valid and reliable assessments of AMEP performance over time, and (ii) evidence-based **recommendations for improvement**.

In this model, benchmarks for agreed outcomes are incorporated in KPIs that relate directly to outcomes that are relevant to and achievable by the AMEP. ***Accountability for delivering these outcomes rests on measures of individual and program performance against these benchmarks*** (see Table 1 above). This model is truly and comprehensively outcomes-focussed.

These KPIs will, as they should, regulate access to tuition and therefore mitigate unwarranted provider claims for remuneration. In fact, they are clearer, more stringent and less open to gaming and arbitrariness than the proposals in the Discussion Paper.

3.3 How providers are paid

3.3.1 ACTA's Proposed Funding Model

The model depicted in Figure 3 above assumes a legislated budget allocation that funds all AMEP components. The proportions allocated to each component are shown as determined transparently and holistically in the sense that each component is considered in relation to the others. Complex exclusions and inclusions regarding payments are avoided. There are no distorting effects caused by attaching incentive payments to one Outcome in preference to others.

In the ACTA model, provider set-up costs would be determined according to analysis of existing data from previous contracts.

Providers would continue to receive on-going payments for hourly student attendance with the floor that is currently in place to mitigate the effects of irregular attendance. See 3.3.2 below for why the proposed system is little different from “input-based” payments for tuition and why is it inferior to these payments.

In the ACTA model, holding the AMEP to account is distinguished from any specific payment stream. The substantive imperative driving accountability in this model is that providers **are evaluated with reference to their performance in achieving the agreed AMEP outcomes as embodied in KPIs**. The financial incentive is that providers are assured that their contracts will continue for an extended period if they achieve or go beyond the benchmarks for each Outcome. A crucial benchmark would be gaining an A or B rating that is assessed against program quality Standards. Providers who consistently underperform against benchmarks for the five KPIs have their contracts placed on review and, where necessary, are given notice of termination. This funding model is not subject to gaming, perverse incentives and distortions. It is, in fact, more stringent and rigorous than payments for assessment reports.

In short, Figure 3 shows the AMEP as **funded and incentivised to achieve a comprehensive set of clear, measurable outcomes that, in turn, are relevant to and supportive of the national goals it serves**.

3.3.2 The Discussion Paper

In the model proposed in the Discussion Paper, and specifically the diagram on p. 6 and Table 2 on p. 8, the relationship between the AMEP budget allocation, outcomes-based payments and the components that comprise the AMEP is unclear.

For example:

- 1) **Student enrolments** are shown as subject to outcomes-based payments in the diagram on p. 6 but appear to be excluded from these in Table 2. ACTA is of the strong view that outcomes-based payments should *not* attach to student enrolments because of the obviously perverse incentives they would create.
- 2) The rationale for exempting **On-line learning** and **Community and Work-based Learning Fund** (diagram, p. 6) from payment incentives is unclear, given that they are both ways in which teaching is delivered in the AMEP. How will these elements be regulated?¹³

¹³ Will there be any constraints placed on what is delivered through the “community” aspect of this fund, for example, courses for adult migrants in Australian idioms, cooking and flower-arranging?

- 3) Will tuition through online learning and the CWLF be **excluded from assessing student competencies and awarding Certificates** (as per the diagram on p. 6)? If so, what would incentivise students to participate in these classes?
- 4) Table 2 (p. 8) (confirmed by advice given in the 23rd June forum) shows that **payments for Ancillary Payments and Activities** will fund childcare, the Volunteer Tutor Scheme, individual pathway guidance and the Community and Work-based Learning Fund. The rationale for assigning 28% of provider payments to these diverse “activities” is unclear, as is also how funding for each activity will be decided in relation to the others. Will these decisions be left to individual providers? What criteria should inform their decisions? How will these activities be regulated and evaluated?
- 5) What elements and components of the AMEP will attract **financial support for students**? Which elements/components will be excluded? How will this be decided and by whom?
- 6) **Online learning** is shown in the diagram on p. 6 in the *Student Supports* quadrant, while **online resources** are shown under *National Curriculum*. Is funding for online learning included within the 28% of *Ancillary Services* payments? If so, what is the rationale for excluding it from outcomes-based payments? How will online learning be regulated and held accountable? The relationship between these elements of online learning is unclear, as is also their relation to Distance Learning (p. 10).
- 7) We are concerned that **Distance Learning** is not included in the diagram on p. 6, is considered as separate from online learning and is projected to “decrease with the introduction of flexible delivery of tuition” (p. 10). Is it intended to relocate responsibility for Distance Learning to local AMEP providers and to phase out funding for this element? Such a move would give rise to unnecessary duplication and expense for local providers, at the same time as disregarding the previous large investments in this element of the AMEP. It is difficult to understand how the 28% *Ancillary Services* allocation could adequately support remote learning that incorporates quality distance education, especially if it is competing for funding against childcare, the Volunteer Tutor Scheme, individual pathway guidance and the Community and Work-based Learning Fund.

Distance Learning is central to any commitment to **Flexible Delivery of Tuition** (p. 10). As we have also proposed in other submissions, distance materials should be centrally developed, resourced and administered but locally and flexibly delivered, for example, through weekly tutorials and telephone contact or occasional office hours with local AMEP tutors. The national curriculum should provide the framework supporting teaching and assessment resources.

As is shown in Figure 3, ACTA proposes that Distance Learning should be considered as one important element of *remote delivery*. Like the regional cohort loading, remote delivery and *outreach* of various kinds could attract a specific loading.

As was clarified in the 17 and 23 June DHA Forums, “student unit completion” will gain the same payment whether or not students pass a competency assessment. It follows that the outcome incentivised by the proposed payment system is, in reality, **students undertaking assessments**. This “output” bears no relation to any of the stated goals of the AMEP reforms.¹⁴

¹⁴ We do not find the notion of *outputs* helpful in the context of the AMEP, although it does apply if we want to count and pay for reports on student assessments. Further, the distinction between *inputs* and *outputs* is tenuous and dependent on semantic arguments that are not useful in this context. In this interim statement, we use the word *outcome* to refer to what will or could result from the policy and funding models under discussion, and specifically what can be measured. We reserve the word *outputs* to refer to (numbers of) reports on student assessments.

In fact, *both* the previous and current funding models are *input-based*. The previous model paid for *hours delivered*. The proposed model pays for *competencies assessed* (with a 4% bonus for students achieving sufficient numbers of competencies to constitute the award of a Certificate). The crucial difference between the two models is simply the greater financial risk providers are required to bear because they have no assurance of covering their costs in delivering the AMEP. Their increased risk derives from the longer period they must wait to be paid and payments dependent on the riskier outcome of student assessments.

To achieve student learning outcomes, AMEP providers must first employ and pay teachers, rent premises and install the necessary infrastructure. If the bulk of provider payments rests on *subsequent* assessments undertaken by students, how are these set-up and tuition costs to be paid or underwritten? It is unclear how the 5% allocation shown in Table 2 of the Discussion Paper is supposed to cover these set-up costs, since it is directed to eligibility checks and initial assessments which already require qualified staff, premises and teachers employed to teach the classes to which students will be admitted.

Leaving aside the clearly adverse effects of this funding model as it has been instituted in higher education and the wider VET system, its application to the AMEP takes no account of the fact that AMEP providers have no recurrent funding or existing infrastructure. They depend entirely on funding from their contracts. *No* prudent financial manager should be prepared to take the risk that their set up and on-going costs will be recouped according to something as unpredictable as prospective students' subsequent behaviour, much less the vulnerable and transient English language learners whom the AMEP seeks to serve.

ACTA submits that the risks entailed in the proposed funding model should be seen as unacceptable by potential quality providers in its consequences for quality provision, program stability, financial viability and avoiding bankruptcy. We find it difficult to understand how any responsible provider would consider tendering for the AMEP under the proposed funding model.

We note that AMEP budget allocations and projections were reported to Senate Estimates in November 2020 as follows:

Table 11: Home Affairs Program 2.4 break down (Administered)¹⁵

	2020-21 \$000s	2021-22 \$000s	2022-23 \$000s	2023-24 \$000s
Adult Migrant English Program (AMEP)	261,297	261,116	241,737	238,816

The projected enrolments in the AMEP were as follows:

Table 9: Projection under the current policy setting¹⁶

	2020-21	2021-22	2022-23	2023-24
Annual Enrolments including new enrolments and continuing enrolments	56,478	55,560	53,727	54,401

¹⁵ Answer 8b to Question 2281, Senate Estimates, asked upon notice, by Senator Kristina Keneally to the Minister representing the Minister for Immigration, Citizenship, Migrant Services and Multicultural Affairs, on 6 November 2020:

¹⁶ Answer 8a to the same Question.

Table numbers are from these answers.

The projections in these Tables do not support the Discussion Paper’s statement that the Government plans to “encourage greater participation” in the AMEP (p. 3).

The fact that Tables 11 and 9 show *decreasing* funding and participation in the AMEP, even after immigration is projected to resume in 2023, raises the question as to whether the shift to outcomes-based funding is intended to reduce expenditure on this Program and participation in it.

Irrespective of the answer to these questions, **the Discussion Paper is unclear about how the different components of the AMEP will be funded.** The rationale given for introducing the proposed funding model incorrectly equates an *outcomes focus* with a *payment system*. This payment is distortionary. How or why provider reports that students have been assessed is preferred to other outcomes is not explained. How or why these assessment reports should so directly govern and evaluate the AMEP’s performance – rather than the judicious, rational, transparent and evidence-based use of the legislated AMEP allocation to pursue substantive and relevant outcomes (for example, as shown in Table 1) – is unclear.

4. Using funding to incentivise specific outputs/outcomes

Policy and funding that seeks to *promote the achievement of desired outcomes in the AMEP* is quite different from *offering financial incentives to produce specific outputs/outcomes*, no matter what they might be.

The justification for the funding model described in the Discussion Paper is, in some respects, liable to mislead. For example:

- Outcomes/outputs-based *funding* was not recommended by the 2017 Parliamentary Inquiry into Migrant Settlement Outcomes (p. 7). Together with the reports listed on pp. 3-4 and numerous others, the Inquiry recommended ending the 510-hour cap on tuition, restricting eligibility to those with low English proficiency, and extending the time frame for registering for and completing tuition in the AMEP.¹⁷ These recommendations have been implemented.
- No credible evidence supports outcomes/outputs-based funding, as distinct from an outcomes-*focussed* program model (cf. p. 7)
- Making providers’ financial viability and teachers’ livelihoods contingent on assessing students will not incentivise students to achieve (cf. Q. 1, p. 9). Although the proposed payment system will impact substantively on the quality of AMEP student experiences (see Table 2), students will not understand or be motivated by how their tuition is funded. AMEP students will not be incentivised to attend class or make English gains (or even undertake assessments) by providers’ reliance on the income generated by assessing them. On the contrary, adult migrant English language learners have been, and will increasingly be, discouraged and alienated by an AMEP

¹⁷ The Committees’ recommendation was as follows:

3.88 The Committee recommends that the Adult Migrant English Program amend its business model by focusing on English language competency to enable better community engagement and improved employment prospects; and supporting clients to access additional hours of tuition as necessary to reach that level. (p. 57)

The Committee’s comments preceding this recommendation were:

3.85 The Committee shares the concern expressed by some inquiry participants that the AMEP focusses on delivering a specific amount of hours of English language training as opposed to ensuring migrants reach a level of proficiency that allows them to function in mainstream Australian society.

3.86 In the Committee’s view, the focus on a specific amount of hours in English language training should be shifted to include a focus on outcomes. Rather than focusing on the amount of time migrants spend in tuition, a more effective approach would be to focus on English language competency.

3.87 A focus on competency would have flow on effects in terms of improved community engagement and employment prospects. It would facilitate a greater level of engagement with mainstream Australian society, in turn leading to a greater level of immersion, which as noted above can be an effective method of gaining and improving English language proficiency.

that is dominated by assessment. This has already been documented as a reason for student withdrawals under the 2017-2020 contract.¹⁸ The payment system that impacts on students relates entirely to allowances for undertaking approved training.

As already indicated in Table 2 above, attempts by providers to survive this funding model will have the following undesirable effects:

- students will be assessed as frequently as possible in order to maximise reporting on units completed
- teachers will be pressured to teach exclusively to ensure students pass assessments
- incoming students will be under-assessed so as to maximise records of progress¹⁹
- out-of-class activities, excursions and other enriching learning experiences will be avoided or disappear, because they do not lead directly to assessments, are expensive and therefore increase providers' financial risks
- gaming and fabricating assessments will be incentivised
- "tick and flick" credentialling will become widespread, which is now recognised as a major problem in the broader VET system, for example, the NSW Smart and Skilled Program
- the current credibility of Certificates based on the *EAL Framework* will lose credibility because they will no longer guarantee professionally based assessments of actual English language levels²⁰
- large class groupings will combine different English language levels and special cohort needs, so as to minimise teacher salary payments and to mitigate the risk of student withdrawals before assessments can be administered
- low-performing students will be excluded from regular AMEP classes – these are the largest proportion of the English language learners that the AMEP seeks to serve
- making teachers' livelihoods directly dependent on students' performance will corrupt, depersonalise and objectify student-teacher relationships
- the strength of perverse incentives will necessitate expensive and intrusive auditing and compliance procedures
- these procedures will engender teacher resistance and antagonism towards managers and the Department
- a further exodus of qualified, experienced and committed teachers will occur, with increased difficulty in replacing them
- providers will face significantly increased risks of program collapse, with consequent disruptions to student enrolments and progress.

Although the move to a common national curriculum is positive, funding that rests on assessing the competences specified in the *EAL Frameworks* will narrow and inhibit the content, scope and creativity of AMEP teaching as much as did the previous assessments based on the Australian Core Skills Framework (ACSF).

While prompting adult migrants' English language learning is clearly seen as the central function of the AMEP, most reports also acknowledge its important contribution to building English learners'

¹⁸ Aside from the previous eligibility restrictions, the AMEP focus on assessment was the problem underlying the lengthy and passionate contribution by the Chinese gentleman in the 17 June DHA consultation forum.

¹⁹ As one teacher wrote to ACTA, even if providers don't seek to game the system, "our management will have to encourage the initial placement interviewers to err on the side of putting students in the lower level class. Borderlines needing the challenge of a higher class won't have a chance and the interviewers won't be looking at learners' strengths.

²⁰ Certificates from both the CSWE and *EAL Frameworks* are currently recognised as providing a relatively reliable guide to learners' English proficiency levels. It would be regrettable if the new national curriculum credibility lost credibility within the VET system.

confidence and creating positive social relations. The Discussion Paper allocates this role to “conversation” classes. The funding model incentivises teachers in regular AMEP classrooms to maximise student assessments. This focus is liable to undermine many students’ confidence and will inevitably restrict interactive classroom activities.

It is commendable that the Discussion Paper takes account of students with life situations that impact on their attendance and performance because of family illness, caring for children, spouses and elderly parents, moving house and the effects of torture and trauma on themselves and those for whom they are responsible. However, the proposed payment system incentivises providers to place these students in “the community-based learning stream” because this method of delivery is not required to deliver payable outcomes.

The assumption that students with difficult life situations are not motivated to achieve and would do better in “conversation classes” (p. 11) underestimates and disparages many students’ needs, aspirations and desire to participate in regular AMEP classes. The community-based learning stream will encounter the same responses from students that caused the previous “Social English stream” to be avoided, under-subscribed and stigmatised. However, in contrast to placements in the Social English stream, these students will not be offered a choice. Their placement will be determined by provider managers incentivised by a payment system that rewards assessments.

Most importantly, funding contingent on assessing students will fundamentally undermine the ethical basis of the teacher-student relationship. As in all educational contexts, this relationship rests on teachers’ professionally grounded responses to their students’ learning needs and aspirations, learning trajectories and achievements. The integrity of this relationship depends on the absence of *any* vested interest by teachers in what they teach, how and when students are assessed, how they communicate with their students, and how they report to others about these students. The relationship rests on truth, honesty, trust and respect for each other’s autonomy, not monetary incentives.

Funding dependent on student outcomes places teachers’ professionalism and commitment to their students’ success in question, and assumes they need some extrinsic stick/carrot. A likely effect is that this funding model will bring about precisely this situation. Making teachers’ livelihoods dependent on student assessments asks teachers to choose between their legitimate self-interest in maintaining their livelihoods and their professional judgements. In any case, irrespective of which imperative motivates individual teachers, putting their employment at stake will place their professional and personal integrity continually under suspicion. Correspondingly, the trust on which the teacher-student relationship rests will be destroyed if students learn that their teacher’s employment depends on the number of assessments they are set.

The proposed financial incentives directly threaten teachers’ professionalism and livelihoods. The assumption that teachers are not already committed to assisting their students to progress in English is both false and profoundly disappointing. Teachers motivated by financial incentives do not teach in the AMEP with its low pay, predominantly casualised employment and lack of promotion pathways. AMEP teachers do not need further threats to their livelihoods to work hard to assist their students in achieving English language outcomes.

Outcomes-based funding for the AMEP will damage the Program more fundamentally than did the problematic 2017-2020 contract. It will negate the positive and long-overdue reforms instituted on 19 April 2021. It cannot “make English tuition more accessible, ensure better quality outcomes and encourage greater participation” (Discussion Paper, p. 6). The inherently perverse incentives in this funding model will void the possibility of achieving the stated AMEP reform goals or even knowing what the AMEP has achieved.

5. Conclusion

The stated goals of the AMEP reforms, viz. “to make English tuition more accessible, ensure better quality outcomes and encourage greater participation” (p. 6), are warmly endorsed by ACTA.

The move to regulating the AMEP and evaluating its performance in relation to outcomes in pursuit of these goals is a positive development. They provide a starting point for determining measurable outcomes that will, in fact, reflect and promote the achievement of these goals.

However, the actual outcomes that are specified in the Discussion Paper – unit completions and Certificates awarded (p. 6) – bear no relation to these goals.

ACTA proposes that the following outcomes reflect the goals sought by the AMEP reforms:

- 1) **participation** (comprising enrolments and retentions)
- 2) **English language gains** (assessed using the common national curriculum)
- 3) **student satisfaction** (using regularly and appropriately administered surveys that are consistently designed)
- 4) **program quality** (using a comprehensive set of recognised Standards)
- 5) a **robust evidence-base**.

These are outcomes that are both measurable and appropriate to the regulation of the AMEP. The performance of individual providers and the AMEP overall can be evaluated in regard to how measurements of provider performance relate to evidence-based benchmarks for each Outcome. The soundness of the benchmarks themselves should also be subject to evaluation (as per Outcome 5).

The crucial and legitimate question that arises in the light of the first stage of the AMEP reforms is: *how can accountability be ensured, given the removal of the eligibility and tuition restrictions that previously constrained AMEP expenditure?* ACTA is very conscious that AMEP teachers and managers believe that this serious question requires an answer. They are deeply concerned about some provider owners’ current lack of accountability. If this question is posed clearly and directly, ACTA believes that all genuine stakeholders (AMEP managers, teachers and students) would collaborate with the Department in finding acceptable and viable answers.

The real target of the outcomes-based funding should be provider *owners* (public, not-for-profit and for-profit) – not managers and teachers who are already as committed as possible to their students’ progress in the AMEP. Incentivising AMEP provider owners to deliver quality English language learning outcomes would require holding them to a comprehensive set of appropriate Standards for English language programs for adult migrants in Australia. Using performance ratings against these Standards – in combination with KPIs for Outcomes 1 – 3 above – to determine whether contracts were awarded, extended, renewed or terminated would be a truly effective financial incentive.

Tying the bulk of provider funding to unit completions and the award of Certificates will not solve the accountability problem. Mitigating its perverse effects will come to dominate Program Management. The opportunity will be lost to focus Program Management on promoting the substantive outcomes we have proposed in pursuit of the goals set out in the Discussion Paper.

ACTA is truly encouraged by the dialogue with the Department in the consultation forums our representatives have attended. We would welcome an opportunity for the proposals in our interim statement to be scrutinised intensely. We therefore respectfully suggest holding a small, invitation-only forum, organised either by DHA or ACTA, whose purpose is to give robust consideration to the alternatives we are proposing.

ACTA looks forward to participating further in this journey with the Department and to working towards true and effective reform of this flagship Australian program to which we are all committed.