DIISRTE VET FEE-HELP
Redesign 2012

Preliminary response on the Discussion Paper from the Australian Council for Private Education and Training (ACPET)

July 2012
Introduction

Established in 1992, the Australian Council for Private Education and Training (ACPET) is the national industry association for private providers of post-compulsory education and training. ACPET has 1,100 members nationally, delivering a full range of higher and vocational education and training (VET) and English language courses across all states and territories. ACPET has approximately 100 members delivering higher education throughout all Australian states.

As the peak body for private providers, ACPET is committed to ensuring that its policies, products and services contribute to an inclusive tertiary education system.

ACPET welcomes the opportunity to provide preliminary commentary on the work undertaken to date by the Department of Industry, Innovation, Science, Research and Tertiary Education (DIISRTE) to improve the efficiency and profile of the Scheme, and by doing so attract more students to apply for study assistance and more RTOs to offer VET FEE-HELP on behalf of eligible students.

This submission is a preliminary response to the VET FEE-HELP Redesign 2012. Further response may be made pending outcomes of this stage of the consultation.

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ACPET preliminary response to the VET FEE-HELP Redesign 2012

General Remarks

ACPET welcomes DIISRTE’s recognition of significant barriers to uptake of the scheme, particularly where they apply to private sector Registered Training Organisations (RTOs) and dual sector providers. ACPET also welcomes DIISRTE’s intention to remove, reduce or implement alternatives to certain requirements which have been significant barriers to participation in VET FEE-HELP; in particular, the removal of credit transfer arrangements as a requirement for eligibility and the proposal that dual sector providers apply for both VET FEE-HELP and FEE-HELP through one application process only.

ACPET is of the view that robust administration activity is an essential management component of quality education provision and that this necessarily increases with involvement in publicly funded programs such as VET FEE-HELP. Where, however, these activities are unnecessarily burdensome or inequitable in terms of access to funding across the multi-faceted VET sector and involve duplication of reporting, ACPET supports changes which help RTOs access funding without sacrificing quality education provision and innovation to unnecessary administration and compliance activity.

At the same time, as discussed below, it is not clear how some of the intended approaches to streamlining and otherwise revising the scheme would achieve their desired outcome of benefiting students’ long-term professional and life goals and Australia’s long-term productivity and prosperity. Despite the comparatively low participation rate in the VET FEE-HELP scheme, streamlining of the scheme and removal of unnecessary barriers to participation do not necessarily automatically translate to greater take up.

Implementing and sustaining a strong strategic approach to communicating the scheme to its intended users is a key consideration and ACPET has outlined suggested approaches for garnering greater recognition and understand of the scheme.

More broadly, however, it remains to be seen whether receiving a student loan per se has the same longer-term benefits to the individual, in terms of the difference it makes to their professional future overall and their ability to manage repayment of their debt when their repayment obligations are activated at what is often a period of significant financial stress in their lives.

With the rollout of other reviews (including the DIISRTE Data Collection Review, the AQF Review of the Vocational Graduate Certificates and Diplomas and the NSSC VET Review of the Standards for VET), it is difficult to see how DIISRTE’s proposed changes to VET FEE-HELP are to be implemented independently of, yet in tandem with, the findings and timelines of these other reviews.

Consequently, ACPET queries the perceived urgency of the revisions proposed for the scheme, particularly around the numerous proposed legislative changes. The proposed timeframe for implementing the first phase of changes – by 15 January 2013, providing that relevant legislation is passed, with other changes to the program to roll out more slowly – seems rushed.

ACPET understands that departmental staff who manage VET and Higher Education student loan schemes are now working as one merged entity. ACPET believe that departmental personnel with the responsibility of processing applications need to be experienced and skilled in both the VET and HE educational sectors that they are dealing with. ACPET believes that this merging of departmental subsections is a positive move in this direction, although it does not guarantee ‘cross fertilisation’ of
skills and cross sectoral understanding. Generally speaking, better recruitment practices and professional development would assist personnel to come up to speed with the sectors they are dealing with.
ACPET’s response to proposed changes

1. **Review of policies and procedures with a focus on streamlining process and assessing applications on the basis of risk**

   See ACPET’s responses below to specific proposals for a more risk-based approach and streamlining of processes.

2. **Proposal to allow dual sector providers to apply for approval for both VET FEE-HELP and FEE-HELP through one application process**

   ACPET has been of the view that a separate application process for dual sector institutions would streamline the process and be an incentive to greater uptake of both schemes. ACPET supports the proposal for a separate application process for these institutions for access to both HELP schemes, provided that the separate integrity of the VET and HE sectors is preserved. ACPET also supports the merging of financial reporting (including financial viability arrangements) under the same application processes for dual-sector providers.

3. **Proposal to remove credit transfer arrangement requirements from VET FEE-HELP**

   ACPET is of the view that the current requirements are a deterrence to RTOs who would otherwise fulfil the quality requirements for VET FEE-HELP eligibility, and welcomes this proposal. ACPET believes this is a common-sense approach which recognises the complexity, time and expense involved in developing credit transfer arrangements and the cross-institutional and cross-sectoral relationships that underpin them, particularly from smaller VET providers to large HE providers. ACPET also considers that this is a logical move towards considering applications on the basis of risk, in which the existence or otherwise of credit arrangements would not be a valid consideration. Since Victoria has already removed the credit transfer requirement, this move would improve the national consistency of the scheme. ACPET also agrees that VET FEE-HELP is not an appropriate mechanism for promoting credit transfer arrangements. This more equitable approach and the reduced administrative burden may contribute to greater take up of the scheme.

4. **Proposal to consolidate the legislative guidelines into one set to simplify arrangements for VET FEE-HELP providers**

   ACPET supports streamlining, reduction of jargon and simplification of documentary material and supports the proposal to reduce the current legislative guidelines for VET FEE-HELP (VET Provider Guidelines, VET FEE-HELP Guidelines and VET Administration Guidelines) into one set of clear guidelines. Given the disproportionately onerous burden of administrative activity shouldered by the smaller providers, which make up the greatest proportion of the VET sector, this is a welcome move.

5. **Proposal to introduce more flexible arrangements and reduce administrative requirements associated with the setting and reporting of census dates**

   ACPET broadly supports DIISRTE’s proposal to amend the current legislation to instate minimum timeframes for the publication of census dates. The proposal is realistic in that it recognises the current reality of more flexible and demand-responsive delivery in the VET sector, including rolling enrolments, delivery on demand as it arises and the delivery of units outside published scheduled dates, as acknowledged in the Discussion Paper.
With respect to the two proposed census date options, ACPET would support an arrangement that reflects flexible delivery arrangements and carries fewer administrative requirements. Of the two options provided, ACPET considers that Option One better reflects the profile of the VET sector, providing better support to students and employers and with a practical application to different study modes.

6. **Proposal for the publishing schedules of tuition fees**

ACPET supports changes that will ensure students are able to access information on provider tuition fees and that that information is available in a timely manner, so that students understand, before taking out a loan, the debt they would be taking on - not least given the burden of debt repayment later in life.

7. **Proposal to enable the Minister to use audits or investigation reports from ASQA or TEQSA in making VET FEE-HELP approval or revocation decisions**

ACPET supports approaches that would streamline and strengthen the VET FEE-HELP decision making process but questions the need for adding the extra step of accessing details of reports from the National Regulators and whether, under a better regulated system in which RTOs with capacity to offer VET FEE-HELP are clearly low risk, such an addition would make any difference.

8. **Proposal for legislative change that would allow the Minister to expressly consider corporate structures and governance arrangements for VET FEE-HELP approval or revocation**

For the purposes of determining which is the legal entity of RTOs that are part of more complex body corporate structures and provided that (as stated) this would not impose further obligations on applicants, ACPET supports the proposed change to legislation which would allow the Minister to consider corporate structures and governance arrangements.

9. **Proposal for legislative change that would allow the same business operations and education delivery under one body corporate – considered under one HELP scheme – to be applied by the Minister to approval or revocation decisions relating to the same body corporate under another HELP scheme**

For identifying and recognising quality provision in a more streamlined process and in support of student outcomes, ACPET supports the proposed change to legislation which would allow the Minister to apply the same business operations and education delivery information accessed under one scheme, to another scheme provided that (as stated) this would not impose further obligations on applicants.

10. **Tuition Assurance Scheme – with a widely held view that tuition assurance protection should apply to a student enrolled in a course of study, not just a unit, views are sought on what changes, if any, should be considered.**

ACPET supports DIISRTE’s proposal that students be protected for the entire course they have enrolled in, not just specific units they have enrolled in. With the ambiguity of the current legislation and given that VET education provision is widely characterised by rolling enrolments, rapid responses to emerging industry skills needs and flux in individual subject availability, this proposed move properly recognises the changed and highly dynamic nature of the VET environment and would offer more appropriate protection to students.

ACPET is continuing to consult with its members on DIISRTE’s proposal to remove the current option for students to choose between refunding fees/re-crediting VET FEE-HELP, to only fees/re-crediting VET FEE-HELP if the student cannot be transferred to a similar course.
11. In considering opportunities and ways to streamline data collection requirements under VET FEE-HELP, feedback is sought on current data reporting arrangements under AVETMISS data standards and VET FEE-HELP and suggestions for streamlining reporting over time.

ACPET understands that DIISRTE is considering ways of incorporating VET FEE-HELP data into AVETMISS data to reduce duplication and administrative effort, and that it has been in discussion with NCVER over the same. ACPET is concerned about how, under such an arrangement, commercially confidential (particularly financial) VET FEE-HELP data that currently is not available to NCVER might be used if it were available under a streamlined arrangement of this kind.

It is also not clear to ACPET how these proposals would segue into other proposals in separate current reviews on data collection.

12. DIISRTE is considering opportunities to streamline reporting requirements related to field of study. Feedback is sought on current arrangements and possible alternatives.

ACPET broadly supports reporting requirements that will allow for better transparency of the VET sector, understanding of where VET activity is taking place and provide better data to enable policy makers to allocate funding according to workforce development needs. Such data should be accessible to be applied to VET FEE-HELP application assessments under streamlined arrangements.

The Discussion Paper refers to stakeholder feedback in the 2011 review that VET FEE-HELP data reporting requirements were onerous and duplicated AVETMISS reporting requirements. ACPET is concerned that proposals around data reporting requirements might be largely based on feedback from publicly funded RTOs who undertake both AVETMISS and VET FEE-HELP reporting, which may give a distorted picture on actual data reporting activity across the VET sector. For RTOs that are not required to report AVETMISS data, for their non-publicly funded VET activity, the suggestion of streamlining these two kinds of data reporting misses the mark. For this reason also, NCVER would only be able to speak for the less than 50 percent of VET effort that is reported to the national data collection.

Likewise, simply because the VET FEE-HELP and AVETMISS reporting systems both use the same reporting fields, does not automatically mean that all RTOs are carrying out reporting under both systems.

ACPET has long advocated that data reporting for non-publicly funded RTOs that receive VET FEE-HELP do need to be addressed. This is a long term issue and therefore ACPET believes that it is premature for data collection decisions relating to VET FEE-HELP to be implemented within short timeframes if they are going to be part of a system which perpetuates the same data reporting distortions.

For those providers receiving VET FEE-HELP but are not required to provide AVETMISS data, broader issues around data collection are currently being considered by other reviews and ACPET believes that the findings of these other reviews may later feed back into continuous improvement to VET FEE-HELP. At present, the issues of more immediate importance that may more effectively be sooner addressed include:

- identifying low-risk providers so that their applications may be streamlined
- amending legislation to ensure that students receiving VET FEE-HELP or tuition protection are covered for course, rather than single subject, enrolment, and
- removing the requirement to have credit arrangements.
13. DIISRTE proposes to replace the Equivalent Full-Time Student Load (EFTSL) reporting requirement with Full Year Training Equivalent, thus simplifying arrangements for estimating annual payments to providers and reporting requirements on the volume of training.

See above comments regarding simplification and streamlining of reporting requirements.

ACPET considers that EFTSL reporting no longer adequately represents the way in which education and training takes place today, reflecting as it does traditional, classroom based approaches and failing to capture the full variety and flexibility of education and training practice taking place across the full VET sector (and reflecting the same in public data collection on VET effort). ACPET therefore supports measures which are reflective of VET practice as well as reducing the volume of reporting.

14. With no current reporting mechanism on the student experience of seeking income contingent loans, DIISRTE seeks feedback on the development of a separate or expanded student outcomes survey.

See above comments about VET effort taking place outside government funding. The issue around the non-capture of non-publicly funded VET activity has been discussed above. DIISRTE’s current discussions with NCVER and proposal that the Student Outcome Survey be enhanced to capture the student VET FEE-HELP experience (or a separate survey developed) fails to acknowledge this issue and suggests an outcome which would not be representative of the broad student VET experience with VET FEE-HELP. Given current reporting requirements, ACPET is of the view that other survey mechanisms should be considered which would more appropriately start to build a representative profile of the student experience of income contingent loans.

15. How may the VET FEE-HELP IT system be enhance to better support the Scheme?

ACPET is in consultation with member RTOs on possible ways for enhancing the VET FEE-HELP IT system.

16. What elements should be included in an enhanced communications and information strategy to improve recognition and uptake of VET FEE-HELP?

Outreach and sustained follow-up should be at the core of any proposed communication strategy, particularly where it relates – as in the case of VET FEE-HELP – to a sizeable cohort of the population that is widely ignorant of or at times hostile to the VET sector, or is unaware of the opportunities and options available.

Elements could include:

- Information on MySkills website
- Going out to schools, providing information and workshops to careers professionals and students
- Having stalls at careers expos around the country, with ‘What is VET FEE-HELP?’ advertising on promotional material such as rulers, USB ports, recyclable coffee cups.
- Running advertising campaigns with ‘What is VET FEE-HELP?’ posters featured in public places where students pass through (such as stations, trams, buses, shopping centres) with QR barcodes and websites (with a relevant, interesting name, rather than DIISRTE) for quick smartphone download
- Using peak bodies like ACPET to run PD workshops with RTOs, to generate better recognition and interest in applying for the scheme
- Using online course information services (e.g. those run through the ISCs) to publish web information
- Publish ‘What is VET FEE-HELP?’ information postcards for the general public to pick up and read
• Post information and links to websites such as Student Edge which provide Australian students with free access to online information on study, health and wellbeing and career tools
• Develop applications on VET FEE-HELP which students can quickly access. This would be contingent on public awareness having already been raised.
Other comments

Eligible qualifications

Given that VET FEE-HELP is only available at the diploma, advanced diploma, graduate certificate and graduate diploma levels and given also that the Australian Quality Framework Council is proposing to

- remove the current Vocational Graduate Certificate, Graduate Certificate, Vocational Graduate Diploma and Graduate Diploma, and
- instate a Graduate Diploma and Advanced Graduate Diploma

and to commence the new proposed arrangements by 1 January 2013, ACPET would like to know how would this impact on eligibility requirements for current and future candidates for the scheme.

Student protection

The NSSC Review of Essential Standards canvasses the possibility of including more information in the Standards on student protection. ACPET is of the view that provided the standards include links to information about student protection, their content should not otherwise be changed. This issue does beg the question how the work and findings of the NSSC review, the VET FEE-HELP review, the DIISRTE data-collection review and the AQF Council review of the Vocational Graduate Certificates and Diplomas are being coordinated, given the amount of feedback separately sought, the cross-over of some of these themes and the expected roll-out of implementation for these separate reviews.

Discussion Paper inaccuracies or ambiguities around data reporting requirements

ACPET notes some inaccuracies in reference to data reporting requirements, which may potentially cause some confusion around who does what, which bodies receive data and what the reporting requirements really are.

3.4.1 Rationalisation of data reporting requirements: Paragraph 1 states that ‘Currently, all government funded providers have to deliver Australian Vocational Education and Training Management Information Statistical Standard (AVETMISS) compliant reporting to the National Centre for Vocational Education Research (NCVER) on an annual basis.’ It would be correct to say that any providers who deliver government funded VET training have to deliver AVETMISS-compliant data to NCVER’

3.4.2 Increasing flexibility in reporting fields of study: ‘Providers are also required to report on “qualification/course field of education” as part of their obligations to NCVER using AVETMISS’. It would be correct to say ‘For publicly-funded courses, providers are also required to report on...’.

3.4.2 Increasing flexibility in reporting fields of study: ‘Stakeholders have indicated that the current requirements to report on field of study should be reviewed (ANZSCO and ASCED for NCVER and ANZSCO for VET FEE-HELP to DIISRTE). The Discussion Paper has not made clear what it is about these fields that should be reviewed. While this may not be in the scope of this review, this should at least be made clear.

Reporting fields

As part of national ongoing dialogue and discussion around data reporting issues and requirements, ACPET is in ongoing consultation with member RTOs around what information – such as fields of study – are essential and should form the core of streamlined, consistent and representative systems of data collection. Given the complexity of the issue of data collection, ACPET is of the view that
proposals relating to streamlining data collection and consideration of what fields should be considered as part of this exercise should be undertaken as part of this wider national dialogue and not implemented prematurely.