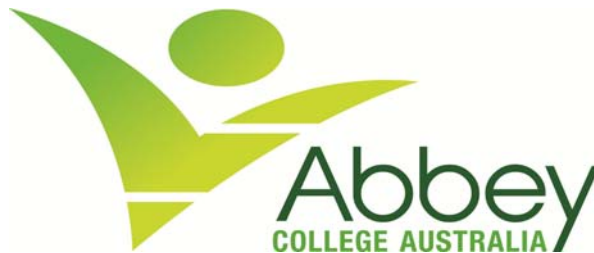# Submission

Senate Education and Employment Committee Inquiry

Higher Education Support Amendment

(VET FEE-HELP Reform) Bill 2015

Abbey College Australia
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Introduction

Abbey College Australia is a registered training organisation, an approved VET FEE-HELP provider, a director of Australian Private College Association Limited (APCA), a member of ACPET and also an associated member of TAFE Directors Australia.

Background

The VET FEE-HELP scheme is a program which has the potential to tremendously enhance competition, increase consumer's choice and ultimately produces better training and ensures financial sustainability if implemented appropriately.

However, it seems limited industry consultation has led to a poor implementation of the program. As a result a handful of private and public providers have misused this program by inappropriately enrolling a high volume of students into low quality programs. This action has resulted in a significant cost to taxpayers. Nevertheless, it is a good news that our government has recognised the need for improvement and is dealing with this matter appropriately.

We understand that a number of providers are advocating for radical changes. We are of the view that a radical change will not improve the system but would create additional new problems.

We appreciate the opportunity to present our submission. We are confident that enforcing a number of additional administration procedures will enhance the VET FEE-HELP scheme and its outcome for Australians.

Problem Issues

We believe the low completion rate, inappropriate recruitment practices, soaring enrolment number in online courses and the proliferation of Diploma of Business/ Management programs are the consequence of:

1. The cost of monitoring providers and implementation of the program.

2. Limiting the VET FEE-HELP to AQF levels 5 & 6, while the biggest employers in need of qualified staff are often trades and service industries. The most appropriate qualifications in these industries are AQF levels 3 & 4 certification and skills sets. It also disadvantages a large number of unemployed Australians in gaining access to trade and technical qualification

3. Accepting students into diploma and above courses who have no prior knowledge or experience in the field.

4. Accepting enrolments of students with no likelihood of ever being employed and earning enough to repay the loan (e.g. retirees).

5. Lack of an expected completion rate or employment outcomes.

6. Absence of a ceiling cap on the number of enrolments for providers and programs per year.

7. Payments for claims without demanding any refund where misconduct or poor practices has been identified.

8. Payment claims without justification that has led to high volume of enrolments in low quality programs for an excessive fee.

9. Providing unemployed job seekers exemption from job search activities for enrolment in an online program with no examination of their actual participation or demand for a completion deadline.

10. Allowing students to enrol in a second program without completing the first program.

Our Recommendations

We would like to offer the following recommendations to enhance the integrity of the program:

1. Scheduling a provider enrolment levy per student to be collected at each census date. This levy would be used to offset the regulatory expenses occurred by government agencies.

2. Expanding the scheme to allow trade and technical qualifications, Certificate III and IV in areas such as Commercial Cookery, Aged Care, Child Care and other areas with a strong demand for employees with appropriate training.

3. Limiting enrolments in diploma or above courses to students who have completed a relevant lower qualification or who have significant experience in the relevant industry, unless the diploma program incorporates all the underlying "assumed knowledge" or "preferred prerequisites".

4. This program should be targeted towards people who have a reasonable expectation of being able to re-pay their VET FEE-HELP loan. For this reason, it may be sensible to set an upper age limit perhaps of 55 to 60 years.

5. Setting at least a minimum of 30% completion rate ratio per year and per program. An unreasonably minimum expectation of high completion outcomes may led to poor assessments of students.

6. Placing a cap on enrolments for the provider based on the participation rate of the previous offering. The providers with low completion rates shall not be allowed to continue to enrol the students using the VET FEE-HELP scheme unless they improve their performance.

7. Removing the poor performer's access to the loan and seeking refunds for payments already made.

8. VET FEE-HELP providers should be required at any time to justify the course fee being charged under the basis of contact hours, class sizes, mode of the delivery, infrastructure required and additional services.

9. Limiting online enrolments to applicants who are living in regional areas or who are currently employed and placing a lower fee cap for a program delivered online.

10. Ensuring that students who do not satisfactory complete one program cannot enrol in another VET FEE-HELP program for a period of at least one year.