VET Student Loans package

Personal Submission

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Summary

Issues

1. Limiting the courses eligible
2. Limiting the amount of loans available for courses
3. Making it illegal for Agents to be involved in recruitment
4. Improving provider standards and monitoring

Discussion

Limiting the Courses eligible for VET Student Loans

- In principle I support the general concept of ensuring that the courses students study are of benefit in the marketplace. However, as a Vocational Guidance Psychologist in the past, I know how difficult it is to identify such courses or skills. It is often based on vacancy rates but a person's best chance of getting a worthwhile job is if they study something they have a passion for or at least have an interest in.
- The major problem with VET Fee Help was not the number of courses eligible but the poor training given to students usually studying the courses that are still approved - e.g. Diploma in Business
- Those studying the more "esoteric" courses are usually genuine students studying at genuine colleges. The courses may not lead to paid employment but may be valuable for students wanting to start their own business.

Recommendation
Let the students decide what they want to study. If the new program really monitors the providers and students to ensure they are getting actual skills, this will not be a big impost on the public purse.

Limiting the amount of loans available for courses

- Totally agree with this concept so long as the amount approved allows genuine providers to offer quality training. If a provider wants to offer Diploma courses in Engineering and Communications, it may cost more to provide additional services such as vendor qualification exams and internships and this may be reduced with set fees set to the delivery of a basic course with basic services.
- A really major problem with the VET Fee Help was the enrolling of inappropriate students especially into on-line courses. This was the area of the major rorting and all the statistics show this. It should be that on-line delivery should be priced appropriately. The statistics will certainly show that with on-line enrolments very few students completed or even attempted any work. While theoretically it may be argued that the highest quality on-line delivery will cost similarly to face-to-face we know that there is little time needing to be allowed for marking assignments or making contact with students. In reality, if an RTO enrols 100 students on-line there may be the need to communicate with and mark assignments for, possibly, 10. Therefore realistically and statistically, the RTO receives ten times the fees for on-line students but students rarely get any new skills. If the government does not want to limit the students who can enrol on-line to those who are living in remote

areas or are not on government benefits, it should, at least not give the RTO encouragement to enrol inappropriately because the return is so much better.

Recommendation
Make the loans available for on-line enrolments be set at half the loan available for face to face delivery of the same course.

Making it illegal for Agents to be involved in recruitment

- I totally agree that agents have been a major contributor to rorting. However, I do not believe that it has been without the complicity of RTOs.
- I think there may be a role for agents because otherwise unethical RTOs will continue the same practices but will manage to call the agents "contractors". It will be better to ensure that neither agents or contractors or anyone else can be involved in enrolment and ensure that RTOs MUST accept full responsibility for all their recruitment practices. RTOs who use unethical practices or use anyone who uses unethical practices, should be immediately de-registered or placed under sanctions so that they cannot offer VET Student Loans.

Recommendation
Allow the use of Agents or Marketing Contractors but make RTOs totally responsible for recruitment practices and enrolments. No student should be able to be enrolled unless they have been personally vetted for suitability by the RTO.

Improving provider standards and monitoring

- This is crucial but it should be monitoring and standards that actually lead to quality training and ethical practices.
- While student outcomes is very important I would not like to see students simply "passed" no matter what they have learned. Setting completion rates as a measure is relevant but the government needs to ensure that there is some standard. Having worked in this industry for over 14 years - with both public and private providers - I am convinced of the need for some elements of external assessment. It would not be expensive to set electronic knowledge tests administered in Independent Assessment Centres for all courses. While this may not be possible to set up prior to January 1, 2017 I think that the writers of the Training Packages could set themselves a task of identifying relevant actual knowledge that would be essential for all course graduates no matter what their electives. Then they could also set separate assessments for each elective. The exams would almost write themselves from the competencies already identified. This way RTOs could not claim invalid completion rates by the tried and true "tick and flick" process. They may be able to do that for the practical aspects of the courses but their failure to provide quality training would easily show up with the independent knowledge assessments.
- If this was done, all the other "criteria" would be irrelevant. There would be no actual motivation to fail to teach well.

Recommendation
Work towards setting up of Independent Assessment Centres for all VET Student Loan approved courses.