

## SYDNEY FILM SCHOOL

### Submission to the Senate Enquiry into the VET Student Loans Bill 2016

#### 1. About Sydney Film School

Sydney Film School ("SFS") is a high quality Australian provider of vocational education to the screen and media industry. We are an RTO and VET Provider, listed on CRICOS. SFS has been in existence since 2004. We are **ranked as one of the top 50 film schools in the world**<sup>1</sup>, and are the only school in that illustrious list educating Australian and foreign students in this country. We attract highly talented students, including students from more than 16 countries this semester and from more than 40 countries since inception. We are currently educating approximately 110 students, of whom 72 receive VET loan assistance.

We are distinguished by our hands-on approach to teaching the craft skills necessary for a successful career in the film & media industry, which is reflected in our high completion rates<sup>2</sup> and high rates of employment<sup>3</sup> both in Australia and overseas. We have also received numerous endorsements from employers in the industry<sup>4</sup>. We provide pathways to leading international film schools such as the École Supérieure des Études Cinématographiques (ESEC) in Paris and locally to the University of Sydney and other Australian tertiary institutions.

Screen and media is a growing industry that is best served by an education in the vocational education sector<sup>5</sup>. The industry requires graduates with a wide range of specialist technical skills such as cinematography, direction, production, sound design, production design, and editing to work collaboratively to produce a successful film. These skills are best learnt in practice and not through academic study at a university.

Screen and media is a significant contributor to Australia's creative economy. It's importance was emphasised in a report by the Australian Government in 2013<sup>6</sup> ...

*"There's another benefit to the nation from investing in the arts and artists to build a rich cultural life: the economic dividend. A creative nation is a productive nation. Throughout the 21st century, national creative capacity will continue to be central in driving Australia's productive capability. We must build on the strength and excellence of our artistic and cultural heritage and recognise*

<sup>1</sup> <http://www.topuniversities.com/courses/communication-media-studies/top-film-schools-around-world>

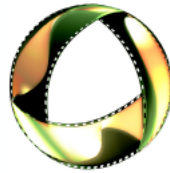
<sup>2</sup> 1H 2013 @ 68.79%; 2H 2013 @ 85.19%; 70.45% 1H 2014 @ 70.45%; 2H 2014 @ 67.44%; 1H 2015 @ 85.71%; 2H 2015 @ 72.73%

<sup>3</sup> 90% of 67 graduates completing our Advanced Diploma course between December 2012 and December 2015 have found employment in the screen and media industry

<sup>4</sup> Copies available on request.

<sup>5</sup> Value of film and TV production in Australia has increased from approximately \$700 million to 1.2 billion between 2010/11 and 2013/14. Income generated from 794 businesses in film and TV production in 2011/12 was \$1.35 billion (source Screen Australia Drama and Documentary Production).

<sup>6</sup> Creative Australia Policy (Fed Govt 2013)



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*that creative talent and design thinking need to be at the heart of our innovation, technological development and national economic growth."*

### 2. **The VET Student Loan Scheme 2017**

Sydney Film School is broadly supportive of the Government's intent to rid the VET sector of providers who have rorted the VET Fee Help Scheme and largely agrees with the objectives of the legislation. We support the Government's intent to favour courses that meet industry needs and skills shortages and that result in high completion rates, high levels of employment and an ability to repay VET loans.

The Scheme is far from perfect, however. We would like to comment on three areas where we think the legislation needs to be amended.

#### **Loan Cap Limits**

Our major concern regards the arbitrary loan cap limit applicable to our courses. The Government has chosen mediocrity as the benchmark for student loans by making the caps \$10,000<sup>7</sup> for the creative arts generally, and for Screen and Media studies in particular. This is well below the cost of our courses, which strive for world-class excellence. We seek to give our students the best opportunity to make a career for themselves in Australia and internationally. This is reflected by the high completion and employment rates, and good prospects for long-term well-paid employment. All of which increases the certainty of VET loan repayments.

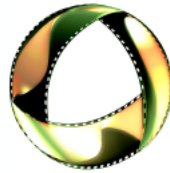
Our courses rank higher than any Australian university course on screen and media, other than the Government-funded Australian Film, Television & Radio School, which is also ranked in the Top 50 Schools in the world. We are akin to university courses in terms of quality & completion rates, yet unlike their students, ours will have their loans capped well below the cost and price of the course. We think this is **discriminatory, and bad policy**.

Screen and media studies should be vocationally provided, given that work opportunities in the industry are craft based. Yet the Government's approach will likely push our potential students towards mediocre VET courses that fit within the \$10,000 cap or towards a university course where they can get HECS to fund their entire course rather than fund the gap of \$16,000. Our courses are priced at \$26,000, and this reflects the true costs of delivering these programs.

There is no certainty those students will improve their prospects from either option. They are generally not academically minded students. They are creative types. Gaining an average

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<sup>7</sup> *Our analysis suggests the average costing of Screen & Media courses has been disproportionately impacted by a number of providers offering screen make-up courses under this category, the costs of which are insignificant compared to the cost of teaching students about all aspects of film production. The Government's approach does not cater for these type of cost fluctuations. It should.*



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degree from a second tier university will not give them the practical skills to gain meaningful employment in the industry, and gaining a diploma from a mediocre VET course or TAFE is unlikely to give them the best chance to get the better paid jobs with the better career prospects. The net result is that those students will arguably be **less able** to afford to repay their student loans than they would if they studied at SFS under current arrangements with no loan cap.

The Government should be encouraging schools of excellence like Sydney Film School that are ranked amongst the best in their field in the world. We help reinforce the perception about the excellence of a tertiary education in Australia. About a third of our students are international, so we also contribute to the export of education services. We should be a case study for how Australia can provide a world-class creative arts education. Instead we are going to be punished for pursuing excellence, or forced to dumb down our courses to fit within the \$10,000 cap.

We are doing lots of things right and we argue that the Government should recognize and support us by amending the legislation to allow the Minister to exempt institutions like Sydney Film School from loan cap limits so we can continue to offer an internationally excellent education opportunity for local and foreign students.

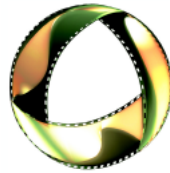
If there is no change, the VET Student Loan scheme for 2017 will adversely impact our School's ability to continue to offer this world-class education and potentially see our School close down, as we are disinclined to try to dumb down our courses. That will not meet the industry's needs, or those of students seeking an excellent education.

Our courses are priced at \$26,000 per annum, reflecting the significant cost of delivery of what is considered to be an industry leading education. In particular, our cost of delivery reflects the costs of:

- production-based training (students working under real-world industry conditions on professionally structured sets and on remote locations)
- expensive film equipment and technology;
- film budgets for students
- specialist mentoring by leading industry professionals

Our students are chosen on the basis of talent and potential, not on academic criteria. Many come from poorer backgrounds and would struggle to borrow the gap between our fees and the current allocated cap under the VET Student Loan. About 60% of our students rely upon VET loan support. We run our business on a very slim margin, given competitive pressures in the





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market. A drop-off in VET Loan student enrolments in 2017 ~~potentially~~ impacts the ongoing viability of Sydney Film School.

We are already a cheaper provider of a film education than almost all the other top 50 film schools in the world.

### **Compliance**

The proposed changes in the VET Student Loan legislation add even more complexity, regulation and cost to a system that is already overburdened by red tape. The Government seems to think its changes should encourage excellence and innovation. We argue they remove excellence as a goal and kill any innovation by forcing stultifying conformity to highly prescriptive requirements about course content. And they add to the burden of micro-regulation.

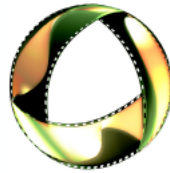
Were SFS minded to dumb down its course content, that exercise alone would take months to plan, document, implement and make compliant. The Government does not seem to appreciate the complexity of how VET sector businesses operate.

We urge the Government to recognize the increasing cost burden imposed on VET course providers and consider lightening the overly zealous and bureaucratic regulatory burden and costs of compliance.

### **Timing**

There could not be a worse time of the year to implement change to the VET sector. We have two recruitment periods a year and our major one is in the lead-up to a new semester commencing in February 2017. We have invested substantial marketing expenditure into recruiting students for next year. Now the Government is changing the ground rules, so neither our prospective students nor we know what regime will apply from 1 January 2017. We won't know that until the legislation is passed.

The Government is not being business-friendly by attempting to implement such substantial change in so short a time frame at the most critical time of the year for student recruitment. The uncertainty alone could close down businesses in this sector, and may close down our business if nothing is changed.



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The Government should be providing more time for implementation once legislation has been passed so that providers like SFS have time to adjust their courses and their marketing to provide courses and marketing materials that accurately portray what students will be able to study.

The Government should defer the start date of the legislation, once enacted, to 1 July 2017 or 1 January 2018.

### **Conclusion**

We urge the Government to recognise and support high quality, highly focussed, single discipline schools that meet all the Government's criteria for vocation education leading to successful career opportunities. Schools like SFS that rank amongst the world's best in their chosen fields deserve Government support as exceptional examples of Australia's ability to provide world-leading education export opportunities.

In the interest of preserving centres of excellence such as the Sydney Film School, **we strenuously encourage the Minister to exempt Sydney Film School from the fees cap** that will otherwise apply so that we can continue to provide a world-class education leading to quality employment opportunities in Australia and abroad.

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