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Submission to the Senate Standing Committee on Education and Employment Legislation Committee re: the VET Student Loans Bill 2016, the VET Student Loans (Consequential Amendments and Transitional Provisions) Bill 2016, and the VET Student Loans (Charges) Bill 2016

**Also submitted to:
Senator Simon Birmingham: Minister for Education**

Submitted by:

**Pippa Hallas, CEO
Ella Baché**

RE: VET STUDENT LOANS ELIGIBLE COURSE LIST

Dear Minister Birmingham

Background

I write to you on behalf of the beauty industry in Australia as well as in my role of Head of Education at Ella Baché.

Whilst I write on behalf of Ella Baché I know that our concerns are also those of reputable providers of Beauty Therapy nationally of whom there are many. We acknowledge the need for reform of VET Fee Help to address those anomalies in legislation and governance that allowed for massive rorting of the system. We appreciate that you are using your best endeavours to re-build a high quality VET sector to support Australia's current and future training and industry needs. Ella Baché is an iconic skincare brand known and respected by Australian women nationally and **where education and training underpin all that we do**. Ella Baché herself was one of very few women able to access a university qualification in Pharmacy in Europe in the early 1920's. She went on to establish the Ella Baché skincare brand globally.

Still operating as a family owned company Ella Baché has been **training Beauty Therapists in Australia since 1963** with a significant % of Australia's beauty therapists, salon owners and managers having been trained by us over the past **53 years**. We are the only RTO in Australia **fully integrated with a leading skincare brand**. Our unique business model ensures that the training we deliver is informed by current industry needs and **ensures employment opportunities for our graduates nationally**. Ella Baché College of Skin and Beauty Therapy (RTO 6704) currently delivers the SHB50115 Diploma of Beauty Therapy and the Graduate Certificate in IPL and Laser for Hair Reduction.

Beauty Therapy is an industry built substantially by women, for women, characterised by flexible working hours, casual employment and relatively low level salaries at the therapist level but offering opportunities to become business owners and managers with experience and in accordance with women's stage of life demands and family commitments. Indeed, the company awards a \$10,000 grant

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annually to the highest achieving student in our business studies electives. **No doubt you would be familiar with the contribution made by female small business owners to the Australian economy.**

Ella Baché has a network of **200** franchised and distributor salons plus retail counters in **38** David Jones stores employing upwards of **1500** Beauty therapists nationally. A Diploma of Beauty Therapy is the minimum qualification required for employment in an Ella Baché salon. **Recruiting qualified therapists is the number one concern of our salon owners** and managers and the college uses its best endeavours to support that demand and the wider beauty industry.

Ella Baché not only trains new Beauty Therapists in its Diploma of Beauty Therapy but also **invests substantially** (in excess of \$2,000,000 Fy14-Fy16) **in the continuing professional education of the therapists** in its salons and David Jones stores. This postgraduate training is delivered free of charge through Workshops and In Salon training by our team of Field Trainers operating across all states and territories. This post graduate education is non-accredited training developed in-house in response to needs identified within our network.

Access and Equity

The introduction of VET Fee Help Funding **gave access to training**, a qualification, and employment to women **for whom it would otherwise have been unattainable.** As an ACPET Board member involved in lobbying government to extend FEE HELP to the VET sector, our objective was to ensure equity of educational opportunity at all levels of the tertiary education sector.

It is in this context that I express my concerns in relation to the decisions made by your government regarding the future funding of VET courses, particularly those related to Beauty Therapy.

SHB50115 Diploma of Beauty Therapy

Under the new VET Student Loans eligibility list the Diploma of Beauty Therapy subsidy is capped at \$10,000. To graduate students both well qualified and job ready a college needs to have an acute appreciation of the needs of its industry and the facilities and resources (human and physical) to deliver an exceptional student experience and employment outcomes.

Whether delivery is on campus or online mode there is a high level of practical training required within this qualification incurring costs in terms of training facilities nationally **including a fully operational Student Salon** where students develop their skills on external clients (a training package requirement), beauty equipment and supplies including costly technology and well qualified trainer/assessors.

Quality Counts

Ella Baché adds value to the student experience through the use of Ella Baché products for teaching purposes, providing full Ella Baché uniforms, complimentary beauty and make up kits, work experience in Ella Baché salons and Ella Baché masterclasses to graduating students to ensure they are highly employable within and beyond our network.

To achieve these outcomes within a subsidy cap of \$10,000 is clearly a challenge. My Skills indicates that the average current course cost is \$17,328.

We would be reluctant to compromise our **highly reputable brand and reputation for producing graduates of the highest calibre** so anticipate that **unless the**

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subsidy is increased to \$15,000 we will need to add a **significant** fee for service component to our course fees. This would effectively create a barrier to participation in a market where skills shortages currently create challenges for small businesses.

The link below takes you to the story of an amazing woman who, as a “stay-at-home” mother of five successfully completed our Diploma of Beauty Therapy and is now employed in her local beauty salon.

<http://www.ellabachecollege.edu.au/blog/ellabache/2016/08/09/beauty-begins-with-knowledge-creating-results-that-last>

[This link also tells the story of a woman's career aspirations and how they were supported at Ella Baché College](http://www.ellabachecollege.edu.au/blog/ellabache/2016/07/22/five-minutes-with-college-graduate-taliika-jeffery)

<http://www.ellabachecollege.edu.au/blog/ellabache/2016/07/22/five-minutes-with-college-graduate-taliika-jeffery>

and the following link takes you to the story of another Ella Baché College graduate who is now a successful salon owner

<http://www.ellabachecollege.edu.au/blog-details/ellabache/2014/12/09/how-i-became-a-successful-beauty-therapist---by-leanna-windsor>

These are but three of the many therapists whose career goals and aspirations Ella Baché has supported over our fifty three years in education and training of Beauty Therapists but who may have been unable to achieve these goals under the new VET Student Loan scheme where the college will need to add a student contribution requirement.

With a subsidy of \$15,000 we can continue to offer quality training and employment outcomes to aspiring therapists, including school leavers, career changers and mums returning to work or establishing their own small businesses. Please reconsider your decision and ensure that aspiring beauty therapists can achieve their career goals.

SIB70110 Graduate Certificate in IPL and Laser for Hair Reduction

Ella Baché College recently added the Graduate Certificate in IPL and Laser to its scope in recognition of our salons identified need for training in the growing field of Dermal Therapies.

In an industry currently disrupted by the emergence of new technologies and the growing demand for “quick fix” treatments Ella Baché stands its ground on its philosophy of “maximum skin results without harm”.

A Dangerous Lack of Regulation signals an urgent need for Education and Training

The Australian Radiation and Nuclear Safety Protection Agency's **2015 Regulatory Impact Study: Intense Pulsed Light Sources (IPL) and Lasers for Cosmetics and Beauty Therapy** sets out its serious concerns regarding the unacceptable level of risk in a burgeoning sector of the beauty industry where Laser and IPL treatments are performed by unqualified practitioners. Among the recommendations for addressing these concerns are suggested standards for education and training to be delivered by RTO's and/or an Australian University. Hence our difficulty in understanding your government's decision not to fund the Graduate Certificate in IPL and Laser for Hair Reduction, the only qualification in

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this field within the Beauty Training Package. The attachment **Regulators see the Light: ARPANSA Consultation focuses on cosmetic use of IPL and Lasers** summaries the key issues and concerns and the recommendations addressed in the regulatory impact study.

Supporting Evidence for the Urgent Need for Training

In our submission to ASAQ to add the Graduate Certificate in IPL and Laser for Hair Reduction we included supporting evidence of the need for this course from Salon Owner members of our Franchisee Advisory Committee as follows:

"This qualification will help to achieve a consistent standard across the Ella Baché network ensuring that all salons have the appropriately qualified therapists performing IPL for Hair Reduction. It will also mean that clients can have peace-of-mind that they are being treated by a therapist that holds a nationally recognised qualification; therefore helping to build our business" **Graham Thatcher, Thatcher Salon Group. Brisbane, QLD**

"As the owner of Ella Baché Broadway who trained with Ella Baché College over 20 years ago I am very pleased with the opportunities that the Ella Baché Collage is offering the our Salon Network to participate and comment on the development of this qualification, and high level of consultation and consideration Ella Baché has given to this qualification to ensure that it is consistent with the company's values and post-graduate training plan. I look forward to more training in the future with the Ella Bache College" **Stacey Small, Ella Baché Broadway Sydney NSW**

"Regardless of any impending regulations, I would certainly encourage any beauty therapist currently providing these treatments to undertake this qualification in order to learn how to use and operate these IPL machines safely and effectively to get maximum results without adverse effects for their clients" **Emily Black, National Sales Manager, David Jones (Ella Baché)**

Accordingly, in this disturbingly unregulated environment Ella Baché salons offering IPL treatments must ensure such treatments are performed only by therapists holding the Graduate Certificate in IPL and Laser for Hair Reduction. There are significant numbers of Beauty Therapists seeking to upgrade their qualifications in order to remain employable in a rapidly changing industry. Now we must advise our salon owners that as this qualification is no longer funded they will need to subsidise their therapists training in this qualification themselves, a tough call for a small business owner.

As for the SHB 50115 Diploma of Beauty Therapy, the Graduate Certificate in IPL & laser for Hair Reduction is a costly course to deliver involving purchase of expensive Laser and IPL equipment, setting up special delivery facilities to meet safety standards and training students in a one to one practical environment as well as delivery of the theory based elements.

The Graduate Certificate in IPL and Laser for Hair reduction **is the only qualification within the Beauty Training Package currently available to them.** The minimum entry requirement to undertake this course is a Diploma of Beauty Therapy.

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Please agree to subsidise the Graduate Certificate in IPL & laser for Hair Reduction to the minimal level of \$5000 in order not to further penalise committed therapists who have already invested significantly in their professional qualifications.

Yours sincerely

Pippa Hallas
CEO
Ella Baché

Jenny Hayes
Head of Education
Ella Baché College of Skin &
Beauty Therapy

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Appendix 1.

Regulators see the light: ARPANSA consultation focuses on cosmetic use of IPL and lasers

Maddocks



Australia June 26 2015

A national, uniform approach to regulating the cosmetic medical industry is another step closer with the release of the Council of Australian Governments (COAG) Consultation Regulation Impact Statement (RIS).

Australian Radiation Protection and Nuclear Safety Agency (ARPANSA) is inviting stakeholders to comment on whether there is a sufficient case for government intervention based on the identified operator and consumer risks with the use of Intense Pulsed Light sources (IPLs) and lasers for cosmetic medical services or beauty therapy.

What is the latest update in regulating the cosmetic medical services industry?

Last month, in our article [‘Regulating the nip and tuck: cosmetic medical services growth expands’](#) we provided an update on the progress of the Australian Health Minister’s Advisory Council (AHMAC) overhaul of the cosmetic medical services industry.¹

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Since then, ARPANSA has taken the next step in achieving a nationally uniform regulation of lasers and IPLs and a national review of regulating unregistered cosmetic operators.

On 26 May 2015, ARPANSA released a Consultation RIS exploring options for the regulation and use of IPLs and lasers for cosmetic or beauty therapy.²

Why is it necessary to regulate the use of Lasers and IPLs?

Lasers and IPLs are instruments used for various cosmetic medical services such as for the treatment of:

- anti-ageing skin rejuvenation
- unwanted hair, tattoos and skin lesions
- acne and scar tissue
- vascular disorders
- hyperpigmentation including freckles, sun spots and birthmarks.

With the growing popularity of such treatments, the incidence of adverse outcomes appears to be increasing. Used for such purposes, the risks associated with lasers or IPLs include:

- missed or delayed diagnosis of skin cancers
- burns and permanent scarring
- permanent retinal damage.

What are the solutions suggested by ARPANSA?

The aim of ARPANSA's Consultation RIS is to minimise the risks to operators and consumers of cosmetic laser and IPL services.

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The Consultation RIS recognises that within the range of operators providing laser and IPL services are qualified health professionals as well as operators with limited or no training. Prices and availability of lasers and IPLs can also vary with many inexpensive devices easily purchased online. The result is that consumers may receive cosmetic services using IPLs and lasers from operators who may not have suitable understanding of the risks to the individual, the capacity of the device or the complexity of the procedure.

ARPANSA is exploring options to reduce these risks and has suggested the following options:

Status quo: no change to current practices

Option 1: educational awareness

Option 2: self-regulation by industry or an industry accreditation scheme

Option 3: licensing or registration of service providers based on prior qualification and training.

If the status quo is maintained, only some states would have regulation in place for the commercial use of lasers and IPLs for cosmetic medical services.³ This means consumers in the unregulated jurisdictions are under the notion of ‘caveat emptor’ or ‘buyer beware’ and limited to protections under the *Australian Consumer Law*⁴ with legal recourse often only available after an injury has been sustained.

Alternatively, Option 1 aims to educate and inform consumers of the risks associated with cosmetic medical treatments using IPLs and lasers. This would assist consumers to understand the importance of researching and selecting a service provider for IPL and laser treatments. ARPANSA is suggesting factsheets published by government agencies in order to provide reliable, objective information.

PARIS
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Under Option 2, industry leaders would develop a safety guide for the commercial use of lasers and IPLs. Standards may include requirements for training, limitations on treatments provided by certain qualified operators and medical clearance prior to treatment for some skin conditions. This option would have limited success unless the majority of operators are members of the designated regulating association.

Option 3 promotes the licensing of operators providing cosmetic medical and beauty services using IPLs and lasers. Furthermore, complex procedures such as skin rejuvenation and tattoo removal would be restricted to provision of service by a medical practitioner. Under this option, qualifications and training would form the basis of licensing.

When do you need to make your submission?

The Consultation RIS has been assessed by the Office of Best Practice Regulation under COAG's best practice regulation guidelines and is now open for submissions until 31 July 2015.

Click on link below for the full ARPANSA Regulatory Impact Statement on the use of IPL and Lasers in Cosmetic medicine or Beauty Therapy

www.arpansa.gov.au/pubs/comment/IPL_ConsultationRIS.pdf