

25 October 2012

Mr Tim Watling
Committee Secretary
Senate Education, Employment and Workplace Relations Committee
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Mr Watling

Higher Education Support Amendment (Streamlining and Other Measures) Bill 2012

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 welcomes the opportunity to provide feedback to the Education, Employment and the Workplace Relations Legislation Committee Inquiry into the Higher Education Support Amendment (Streamlining and Other Measures) Bill 2012 regarding the proposed amendments to the Higher Education Support Act to make changes to the VET FEE-HELP program.

Research commissioned by ACPET in 2012 and undertaken by Deloitte confirms the importance of the private sector in Australia in delivering skills for individuals and employers. Private providers were shown to be delivering education and training to 1.7 million Equivalent Full Time students across the vocational and higher education sectors in Australia during the 12 months period prior to the study.

ACPET understands that strengthening the quality and accountability framework will provide for consistent regulation of VET FEE-HELP providers across jurisdictions and provide a proactive approach to compliance at every level of government. ACPET's understanding is that the proposed changes will enhance the protection of public monies through the early identification of low quality, high risk providers. ACPET supports the concept of identifying low quality, high risk providers as part of the Department of Industry, Innovation, Research, and Tertiary Education (DIISRTE) role in assessing the risk level of VET FEE-HELP applicants.

ACPET has been and continues to be at the forefront of the proposed risk assessment approach. ACPET has worked diligently in recent years to strengthen our management of members, including through introducing a risk management framework for our tuition assurance scheme. All members wishing to receive tuition assurance coverage from ACPET are risk-assessed every year to determine the level of risk they pose to other members of the scheme. The level of oversight members receive from ACPET differs depending on their risk profile.

ACPET's experience and leadership in risk assessment of the VET sector positions us to make informed and experienced commentary on the proposed amendments. Accordingly ACPET is concerned with a number of areas of the Bill. The explanation of changes for Schedule 1, Part 1, Division 1, Item 4, notes that:

“The amendment will also enable the Minister to specify different approval requirements where those providers present a low risk to the Government”

and Item 24 will allow:

“The Minister to implement alternate reporting and compliance arrangements for low risk providers.”

While ACPET strongly supports measures to reward high quality providers with a reduced burden we are concerned that at this juncture there is a distinct lack of detail around how risk will be determined and applied and how this will in turn influence the Minister’s approval and reporting requirements.

ACPET would be very concerned at the possibility of a risk assessment approach that will automatically deem public providers to be low risk and private providers to be high risk. This is currently the case in relation to the Commonwealth’s Tuition Protection Scheme. ACPET believes that such a measure for VET FEE-HELP would be contradictory to the intention of the Bill. ACPET is of the firm view that the VET sector has a sophistication and complexity beyond a simple dichotomy of the public/private divide and therefore this dichotomy should not play a significant part of the risk assessment process. ACPET has not had the opportunity to review and consider the risk rating framework prior to the introduction of the Bill, and in fact we are not aware if the framework has been developed. The Explanatory Memorandum supporting the Bill should explicitly recognise that any provider with a recognised track record of quality may be considered to be low-risk irrespective of ownership.

Provider risk assessment should take into account history of regulatory compliance, retention and completion rates, mix of fee for service and government funded training, ratio of domestic to international students, demonstrated industry engagement, length of time in operation, history of complaints and membership of a peak body and/or industry association.

ACPET therefore recommends that the Senate Education, Employment and Workplace Relations Committee considers amendments to the Bill that ensure that private providers are not adversely affected by a Minister determining risk solely on ownership.

ACPET would be pleased to meet with the Senate Committee should that be necessary to discuss any issues raised in this letter or in relation to any other issues as they emerge during the Committee’s deliberations.

Yours sincerely

Claire Field
Chief Executive Officer