



VET Student Loans Bill 2016

Submission to Senate Education and Employment Legislation Committee

Written by

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Vet Student Loans Bill 2016

**VET STUDENT LOANS BILL 2016 AND THE METHODOLOGY FOR DETERMINING THE
ELIGIBLE COURSE LIST**

The purpose of this submission is to support and promote the inclusion of a wider range of courses (including accredited acting courses) on the Eligible Course List (ECL) for the proposed VET Student Loans (VSL) program.

I have focused mainly on accredited acting courses in order to highlight how the selection model put forward in the Bill can leave out legitimate courses worthy of VET Student Loan access. This vocation (i.e. acting for theatre, film and television) is my area of expertise (over the past 25+ years) and the mainstay of my business. In my view, the legislation should be amended to ensure that the criteria for inclusion of a course on the ECL allows for a much wider range of courses that will cater for the diverse training needs and career goals of every Australian citizen.

Furthermore, it is my view that courses on the ECL should not be determined or selected by the Minister; Department of Education; or any other government body or official. Rather, the individual student and the market are best placed to determine which course/s suit their training needs, skills and career aspirations.

The submission contains both qualitative and quantitative data that highlights the industry market needs filled by accredited acting courses in general; features of our accredited course that respond to both student and industry demand; the impact of the exclusion of acting courses on students; and negative consequences for the arts and entertainment industry in Australia.

The submission will also highlight why the proposed blanket loan cap of \$10,000 per qualification in creative arts courses is inadequate; and the impact on students of the resultant fee gap if such a cap were imposed on providers.

BACKGROUND INFORMATION

Sydney Theatre School has delivered high-quality performing arts training since 2005 (and accredited courses offering VET Fee-Help loans to our students) since 2013. We have achieved very high student satisfaction rates and a large number of our graduates are now working in the arts and related industries.

The government's decision to remove access to loans for our students was not based on any evidence or investigation into what we do, how well we do it, or the many significant benefits, skills and experiences our students receive during their training program that stay with them for life.

Vet Student Loans Bill 2016

We have invested heavily in our premises, facilities and resources and have 'played by the rules' with regard to VET Fee-Help. We are now being punished (along with our current and future students) for the wrong-doings of a small number of providers. This is unfair and unreasonable and should not be allowed to happen.

While there is a need to clamp-down on unscrupulous VET providers who have gamed the system and ripped-off unwary students and taxpayers, those of us who have been abiding by the VET Fee-Help rules - and providing high-quality training - should not be punished for the wrong-doings of others.

Some aspects of the new loans scheme are fair and reasonable. However, restricting access to VET Student Loans for courses that "*have a high national priority, meet industry needs, contribute to addressing skills shortages and lead to employment outcomes*" is unfair, ill-conceived and dangerous. This aspect of the proposed legislation does nothing to increase creativity and innovation in our society and workplaces. It is dangerous - in that it gives the Minister for Education; Department of Education and/or other government officers too much power to choose which courses are eligible for loan assistance and which are not.

It should (in my view) be a [demand driven system](#) rather than one which is regulated and restricted by the Minister; Department of Education and/or government.

Acting programs provide students with valuable skills that enable them to not only gain employment, but also to create and contribute to artistic works (plays; films; television programs etc) and/or start arts-based enterprises that make a valuable contribution to society (see Australian Job Outlook Skills Data here: [Actors, Dancers and Other Entertainers](#))

If VET Student Loan access is denied to acting students as a consequence of this legislation, it may well cause the closure of my business (and many others). I started the school in 2005 with zero capital. Classes were initially conducted in a rented church hall. Since then, I have devoted my life to growing and building the enterprise by offering high-quality training and education. We now have three full-time and ten part-time staff; three permanent classrooms (including a fully-functioning theatre); and many satisfied students and graduates who are working towards their career goals and contributing to the economy and society. Excluding our course from the new VET Student Loans scheme would result in extreme downsizing (or possible closure); the loss of a significant number of jobs; and the exclusion from VET training and employment of many students who are unsuited to any of the courses currently on the Eligible Course List.

The remainder of this submission provides substantial evidence that allowing VET Student Loans for acting courses is vital in ensuring Australia remains an innovative, creative and inclusive society. Restricting access to creative industry training programs because of an individual's economic circumstances will deny every Australian citizen the right to choose their own career path – based on their talents, interests and personal aspirations.

Vet Student Loans Bill 2016

INDUSTRY NEEDS AND EMPLOYMENT PROSPECTS

According to the Australian Government's [Job Outlook Occupational Bulletin](#):

“Employment for this occupation rose moderately in the past five years, and remained relatively steady in the long-term (ten years). Looking forward, employment for Actors, Dancers and Other Entertainers to November 2020 is expected to grow strongly.”

In 2015, there were around 6,000 people employed in Australia as ‘Actors, Dancers and other Entertainers’. This is projected to rise to 6,900 by 2020 according to ABS Labour Force Survey, Department of Employment trend data to November 2015 and [Department of Employment projections](#).

According to a 2015 [Deloitte Access Economics Report](#) on the contribution of the film and television industry in Australia:

“The analysis presented in this report shows that the film and television sector remains a significant contributor to the Australian economy. In 2012-13, we estimate that the film and television sector directly contributed \$5.8 billion to Australian gross domestic product (GDP) and about 46,600 full time equivalent (FTE) employees (Table I). This compares with Internet service providers that contribute \$1.8 billion and Air (and space) Transport that contribute \$6.5 billion to the economy.”

This major industry sector is heavily reliant on the work of professional actors for television drama and comedy series; ‘soap operas’; feature film productions; television commercials; voice over work; presenters; and a range of other services. Each day, millions of Australians turn on their television sets in order to enjoy and benefit from watching the work of professional actors. A large number also regularly visit cinemas; attend film festivals; and view films and video featuring professional actors on the internet. These actors need training, and the VET sector is an important provider of talent to this large industry.

Similarly, the live performance arena is a major employer of professional actors which contributes significantly to our economy. State theatre companies such as Sydney Theatre Company; along with companies such as Bell Shakespeare Co.; Griffin Theatre Co; Belvoir St Theatre; Ensemble Theatre; Darlinghurst Theatre; Sport for Jove Theatre Co in Sydney alone employ hundreds of actors every year and generate enormous economic activity in a wide range of support services; administrative and management staff; suppliers of technical equipment, materials and resources. Also, major musicals bring tourist dollars to our cities and generate significant economic activity.

[The Australia Council Annual Report 2014-15](#) states on page 37:

“Major Performing Arts (MPA) companies employed more than 10,000 people in 2014, providing opportunities for more than 7,400 artists, creative and technical people, and a further 2,700 people employed in arts management administration.”

Vet Student Loans Bill 2016

If training options for actors are restricted to Higher Education providers (a likely result of this legislation) there would be fewer highly skilled actors available to the industry. There would also be a more-narrow range of available 'types' from which to cast theatre, film and television productions resulting in less diversity on stages and screens. Furthermore, there would be less of an opportunity for someone from a disadvantaged or low socio-economic background to fulfil their potential and become the next Cate Blanchett, Hugh Jackman, or Russell Crowe.

RESPONDING TO STUDENT AND INDUSTRY DEMAND

Actors are an integral and vital component of the theatre, film and television industries and they need to be properly trained in order to meet the needs of industry. The few tertiary educational institutions dedicated to training actors (in Sydney it is only The National Institute of Dramatic Art - NIDA) cannot service the thousands of students who apply for full-time acting training each year ([In 2011 NIDA received 1834 applications for a first year acting course that takes 24 students](#)). Also, many of these students are academically unsuited to higher education and would be better placed in the VET sector.

Without access to VET Student Loans, many highly talented and skilled performers will miss out on training opportunities due to their economic circumstances and/or social disadvantage. Capacity to pay; income level and/or assets should not be the determining factor when deciding on a course of study. It should, rather, be based on the individual's unique talents; interests and aptitude for the job.

THE IMPACT OF THE EXCLUSION OF ACTING COURSES ON STUDENTS

Individuals with the requisite talent and ability to perform professionally on stage and/or screen benefit greatly from vocational training. It is generally agreed amongst industry experts that three years of full-time study is required to achieve the required proficiency for professional work as an actor. Sydney Theatre School's Advanced Diploma of Arts (Acting) 10260NAT program meets this industry-standard requirement.

[Australia Council research](#) by David Throsby and Anita Zednik in 2010 supports this view:

"About three-quarters of all artists have had formal training of some sort in their art form and almost half have undertaken private training. Formal training by coursework at a tertiary or specialist institution is by far the most important means of training for practising professional artists in Australia today. Learning on the job is important for a substantial group of artists, with 25 percent of writers, 30 percent of actors and 31 percent of community cultural development workers nominating this as their most important form of training. On average it takes an artist the equivalent of four years of formal training to gain the basic qualifications for their principal artistic occupation (PAO). Most artists have spent between three and five years at training for their basic qualification to be a PAO, with some slight variations between different art forms."

Vet Student Loans Bill 2016

Students that are denied access to suitable VET acting courses due to their economic circumstances, will not have the opportunity to fulfil their full potential and pursue their career of choice. This means they will need to attempt to secure work in their chosen career without training (a very difficult prospect) or else train in an unsuitable course for a career path they do not want or appreciate.

The list of approved courses on the VET Student Loans Eligible Course List is very limited and based on current skills needs and employment outcomes. It does not cater for the jobs of the future that require skills in critical thinking; problem solving; judgement and decision making; interpersonal communication etc.

Acting courses provide students with these skills (see Australian Job Outlook Skills Data here: [Actors, Dancers and Other Entertainers](#)) in abundance and excluding them from the will impact negatively on the students who miss out, and on society in general.

Furthermore, the exclusion of acting courses from the Eligibility List results in VET students being treated differently to those who study acting at universities. For them, FEE-HELP remains in place, resulting in VET students being effectively treated as second-class citizens.

According to Peter Noonan's 2016 [VET funding in Australia](#) report:

VET FEE-HELP and its extension were important reforms. VET FEE-HELP provides equity of treatment for VET students with higher education students by ensuring they can access income contingent loans with no requirement to pay upfront fees. This is an important provision for VET students because even regulated fees in subsidised courses have increased significantly in recent years.

Many students who do not have the capacity to pay tuition fees themselves, also do not have the aptitude, ability or desire to undertake study (of acting) at university. Removing access to income-contingent loans for these individuals is discriminatory and unfair.

Vet Student Loans Bill 2016

CONSEQUENCES FOR THE ARTS AND ENTERTAINMENT INDUSTRIES IN AUSTRALIA

According to an Ernst and Young report commissioned by Live Performance Australia entitled: [Size and Scope of the Live Entertainment Industry](#)

“The importance of creative and cultural industries to economic development has been highlighted by academics such as Richard Florida and David Throsby. Cities with a burgeoning creative environment attract innovative thinkers, and in turn, they transform ideas into tangible outcomes that support high value production and high wage jobs. The United Nations Conference on Trade and Development has also recognised that creative industries are key drivers of growth in developed countries. An important element of creative industries is the Live Entertainment Industry, which encompasses the music and performing arts sectors... Employment in this industry is difficult to measure given the high...degree of casualisation and part-time nature of the workforce. Industry employment is approximated by converting the industry wage amounts estimated above into full-time equivalent (FTE) workers by applying an average labour cost per FTE staff. The average weekly earnings of a FTE staff in the ABS’s ‘Creative and Performing Arts Activities’ industry was \$1,178, which equates to an annual full time equivalent (FTE) salary of \$61,246. Applying this estimate, total employment in this industry amounts to around 13,819 full-time equivalent workers.”

The above statistics highlight the importance of the performing arts sector to the Australian economy and to the cultural and social benefits it brings.

INADEQUACY OF A \$10,000 PER QUALIFICATION LOAN CAP

As stated previously, training an actor (properly) for a career on stage and/or screen requires a significant investment in time and resources over many years. Sydney Theatre School delivers its Advanced Diploma qualification over three years of full-time training. Each year of full time training is conducted over 40 weeks. Each week comprises 24 hours of face to face teaching. This means a total of 2,880 hours of classroom time per graduate. It would be impossible to deliver this amount of training for just \$10,000. The program is currently priced at \$16,950 per student per year. This amounts to \$17.65 per student per hour.

To deliver quality training at or near the proposed capped price, the course would have to be shortened to no more than one year - with significantly fewer hours – thus impacting on the quality of training being offered to students (high-quality training being a major goal of recent government reforms to the sector).

There is also the additional expense of providing lighting, sound and video equipment; facilities and resources for staging theatrical productions; and filming student screen acting show reels etc. Furthermore, the need for large open classroom space and low student/teacher ratios means that a \$10,000 cap is grossly inadequate.

Vet Student Loans Bill 2016

According to an OECD Report into [Costs and Benefits in Vocational Education and Training](#), the cost of facilities, materials and resources is a significant factor in determining appropriate fee levels for different courses:

“In Australia costs to students are highly variable: there are differences in concession rates, in hours of course delivery and individual institutes impose additional fees and charges for resources and material. Watson (2005)...finds that the material and resource component increased the real costs to students of a VET course by between 50% and 100%.”

THE IMPACT OF A ‘FEE GAP’ ON STUDENTS

The impact of a ‘fee gap’ to make up the difference between the cost of delivering courses and the VET Student Loan cap for a course is that equity and fairness would be removed from the entire vocational education and training system in this country.

Students wishing to pursue accredited VET courses in acting should not be excluded from accessing training due to personal financial constraints. It is unfair that only those with sufficient income and/or assets will be able to choose acting courses and others will have to select from a narrow range of programs (i.e. those on the Eligible Course List) that may not suit their needs or career aspirations. Every Australian deserves access to VET courses that match their individual interests; skills and talents regardless of their financial resources or income level.

Furthermore, students studying acting at higher education institutions such as the National Institute of Dramatic Art (NIDA); Victorian College of the Arts (VCA); Queensland University of Technology (QUT); Charles Sturt University; University of Wollongong; and several others - will not only continue to have the benefit of FEE-HELP loans (without having to pay additional ‘gap’ payments out of their own pocket) - their courses and institutions will continue to receive substantial taxpayer subsidies for operations and capital works expenses. In the 2015 financial year, NIDA received over \$8 million for operations expenses and close to \$6 million for capital works from the Australian Government – see [NIDA Annual Report 2015](#)

Clearly, the government sees the value in subsidising actor training (for the purposes of legitimate career development and employment for graduates) in higher education so why not also in vocational education and training?

Vet Student Loans Bill 2016

CONCLUSION

The VET Student Loans Bill 2016 should be amended to ensure that the selection criteria for inclusion on the Eligible Course List allows for a much wider range of courses that will cater for the diverse training needs and career goals of every Australian citizen.

Courses to be included on the ECL should not be determined by their appearance on narrow 'skills shortage' lists; by the Education Minister; Department of Education employees; or any other government body or official.

The methodology used for the selection of approved courses needs to be evidence-based; properly informed by extensive consultations with all stakeholders (including industry; students and course providers); flexible; and fair.

It also needs to recognise and acknowledge the valuable contribution to society – and the economy - that is made by the creative and performing arts sector.

Thank you for taking the time to read this submission.

Sincerely,

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