



Submission
By

The Australian Council for Private Education and Training

To The

Senate Employment, Workplace Relations and Education
Committee

**Inquiry into the Higher Education Support
Amendment (Extending FEE-HELP for VET
Diploma and VET Advanced Diploma Courses) Bill
2007**

10 July 2007

PURPOSE

This submission is made to the Senate Employment, Workplace Relations and Education Committee Inquiry into the Higher Education Support Amendment (Extending FEE-HELP for VET Diploma and VET Advanced Diploma Courses) Bill 2007 by the Australian Council for Private Education and Training (ACPET) to offer ACPET's strong support for the Bill and the Government's initiative, and to raise some issues that ACPET believes should be addressed to improve the Bill.

As the largest of the industry associations in the post-compulsory education and training sector, ACPET represents over 1200 member companies and organisations who offer annually in excess of 4000 accredited and non award courses from certificates to postgraduate degrees to an estimated 250,000 Australian and overseas students. Approximately half our members are involved in international education. Our members provide teaching and administrative jobs to approximately 15 000 Australians in urban, regional and country towns across Australia.

While making this written submission ACPET also wishes to inform the Committee that it would be prepared to provide oral evidence to the Committee to elaborate on any matters contained in this submission or to discuss issues that the Committee wishes to raise in the context of its broader consultations and submissions from other interested parties.

INTRODUCTION

The Federal Budget on 8 May 2007 contained a provision for the extension of "...FEE-HELP to full-fee paying students in Diploma and Advanced Diploma courses that are accredited as Vocational Education and Training (VET) qualifications, where significant credit towards a university degree is guaranteed and agreement with States and territories is reached on mechanisms to ensure TAFE fees do not increase as a consequence."

ACPET welcomes the decision and has been working with the Department of Education, Science and Training to ensure that the impact of this significant decision is fully realised.

In doing so, ACPET has identified some matters that seem to go against the spirit and intent of the decision, as well as some issues which may reduce the accessibility of the new provisions to smaller and regional private providers which are currently providing an important training resource to meet the skills shortages that are identified.

ISSUES

The main issues that have been identified are as follows:

1. Conditions of approval

The Budget statement included the condition that “FEE-HELP will be extended to full-fee-paying students in Diploma and Advanced Diploma courses that are accredited as VET qualifications, **where agreed credit for a university degree is available** to the student.”

This is seen by ACPET to be an unnecessary constraint on those applying for FEE-HELP status and has the potential to subvert the intention of the government’s decision for several reasons.

First, if the intention of the new measure is to increase the number of students taking Diploma and Advanced Diplomas as courses which provide access to employment in areas of need, they should have integrity within themselves as exit qualifications. Allowing them to exist only as subsets of university degrees will lead to students proceeding to degrees rather than filling the workforce shortages that are seen to exist at the Diploma and Advanced Diploma qualification level.

Second, by tying the condition to a university degree there will also be the unintended consequence that only those Diplomas and Advanced Diplomas which have direct equivalent qualifications in a university will be approved. This is likely to limit the number of new courses substantially because many Diploma/Advanced Diploma level courses have no obvious equivalent or pathway in a university. In many cases there will be no existing university degree courses at all because they will have been areas traditionally covered by the VET sector.

Third, even those VET institutions or private which do have degree level courses that follow on from the Diploma and Advanced Diploma ones will now be required to enter into an agreement with a university to offer FEE-HELP to their students as they progress to degree level, creating a significant disadvantage as well as two sets of rules for university and non-university higher education providers.

Fourth, because there is no obvious rationale for this condition, there will be a tendency to devise contrived compliance arrangements to circumvent the condition. There is already evidence that universities are planning to offer generic degrees with pathways from Diploma and Advanced Diploma courses so that they can enter into agreements with VET or private providers to provide them with the necessary undertaking. This will incur a fee for each student and in some cases may lead to some students going

on to complete the remaining subjects to fulfil the requirements of the degree.

Fifth, it will lead to anti-competitive behaviour. There is now the capacity, especially in regional areas, where a university is the sole provider of degree level courses, to engage in protectionism simply by that university deciding not to endorse any VET or private provider course as eligible for credit in the university's degrees. If that university were also a VET provider, any of its private competitors will be taken out of the competition.

Because some VET and higher education private providers will have degree level courses of their own, at the very least the word "university" should be deleted from the condition. However, for the reasons stated above ACPET's submission is that all reference to degree progression should be removed, allowing Diplomas and Advanced Diplomas to stand alone.

One concern that might have been in the minds of those drafting the condition was the need to protect the quality of Diploma and Advanced Diploma courses by requiring them to be of a standard that would be equivalent to pre-university level courses. ACPET believes this can be achieved without requiring that there be a direct pathway to a degree. The Diplomas and Advanced Diplomas will still need to meet the definitions of the Australian Qualifications Framework, but if further assurance were required, this could be framed in terms of the equivalence of such qualifications – that they be at a level equivalent to one that would lead to credit in a university degree.

ACPET believes that this condition should be removed. If this is not possible it should be made more flexible, at least by removing the "university" requirement. This would allow for the possibility that an existing non-university provider which has degree granting status to offer Diploma and Advanced Diploma courses in areas covered by its degrees and that Diplomas and Advanced Diplomas could be linked to degree level courses in any VET institution, whether public or private.

If the intention of the university reference is to ensure that the quality of the Diploma and Advanced Diploma offerings is assured then it would be better to define that in terms of the equivalence of such qualifications – that they should be at a level equivalent to one that would lead to credit in a university degree.

2. Coverage

In light of the reasons provided for extending FEE-HELP it seems illogical, and possibly an oversight, not to have included Vocational Graduate Certificates and Vocational Graduate Diplomas. These qualifications are part of the Australian Quality Framework.

For many years the two most senior AQF vocational qualifications were the diploma and advanced diploma. But, in 2005 the AQF was amended by adding two more vocational qualifications. These were the Vocational Graduate Certificate and Vocational Graduate Diploma. These are classified as AQF level 8 and 9 respectively generally regarded as being equivalent to higher education courses at the diploma level.

It seems both logical and equitable that they should be included as part of this legislation.

3. Tuition Assurance

The Tuition Assurance Scheme for HEP and private provider students provides for fee refunds in the event of a Provider not being able to meet its obligations to its students. As a fee refund is not always in the best interests of the student or meet the student's need to complete a qualification, the Scheme provides for students to be offered equivalent alternative placements with another Provider within a reasonable time. If that proves impossible or is not acceptable to the student, the student's fees are refunded. The Bill provides for this guarantee as a condition of a Provider gaining FEE-HELP approval and ACPET welcomes this because it provides the best protection for the student. ACPET provides Tuition Assurance for students enrolled in provider members and is able to identify suitable alternative courses in the event of the failure of one of its members. This operates through the ACPET Australian Students Tuition Assurance Scheme, an industry managed scheme underwritten by bond insurance through AIG.

4. Fee Cap

ACPET believes that the fee cap should be sufficiently high to cover the most expensive course offered by any one of its members. It would be preferable if there were no difference between the higher education cap and the Diploma or Advanced Diploma one because the cost to the Commonwealth is the same.

The Bill provides for the possibility of a cap to cover a student's VET and higher education costs and ACPET supports this.

5. Auditing mechanisms and costs

At present bodies which are approved as HEPs are required to undergo periodic quality audits by the Australian Universities Quality Agency (AUQA). This would be inequitable for new entrants offering Diplomas and Advanced Diplomas only and the Bill provides for the Australian Quality Training Framework as the appropriate one for VET providers. ACPET would be concerned if Providers were required to deal with two quality

assurance systems if they were HEP institutions which offer Diploma and Advanced Diploma courses in addition to their degrees.

ACPET proposes that HEPs continue to have all their programmes audited by AUQA and that non-HEP institutions have their FEE-HELP eligible courses quality assured by the AQTF. This would provide a simple and inexpensive process for non-HEP institutions, while not requiring HEP institutions to undertake two quality audits.

Tim Smith
National Executive Officer

for and on behalf of the ACPET National Board

10 July 2007