



**TO: COMMITTEE SECRETARY
SENATE EDUCATION AND EMPLOYMENT COMMITTEES**

**FROM: CHIEF EXECUTIVE OFFICER BATCHELOR INSTITUTE OF
INDIGENOUS TERTIARY EDUCATION**

**RE: INQUIRY INTO THE HIGHER EDUCATION SUPPORT AMENDMENT (VET
FEE-HELP Reform) BILL 2015**

ISSUE

The Higher Education Support Amendment (VET FEE-HELP Reform) Bill (The Bill) has been referred to the Senate Education and Employment Legislation Committee for inquiry and report by 30 November 2015, with submissions closing on 20 November 2015.

BACKGROUND

The Batchelor Institute of Indigenous Tertiary Education sits uniquely in the Australian educational landscape as the only Aboriginal and Torres Strait Islander dual sector tertiary education provider. Under its 'Both-Ways' philosophy, the Institute provides an important Aboriginal and Torres Strait Islander lens to a mainstream education system.

With over 40 years' experience, Batchelor Institute has demonstrated extensive achievements, proven stakeholder engagement, evidence-based data and experience delivering training and educational outcomes over a wide scope. Significantly, this includes delivery to remote and very-remote students and communities who are often disadvantaged in the access, resourcing and funding of education, training and employment opportunities.

CURRENT SITUATION

The funding of the Vocational and Education Training (VET) sector has been both haphazard and deficient. The introduction of the VET-FEE-HELP Loan Scheme to higher level VET qualifications, and for a trial period, to selected Certificate IV Qualifications has come some way in addressing this situation. Unfortunately the introduction of a market driven model has led to the development of some unethical practices, while at the same time not producing the expected VET or employment outcomes.

The level of support, funding and access to VET, as well as the operational requirements imposed on Registered Training Organisations (RTOs) delivering VET to remote and very remote students and communities, still disadvantages the Aboriginal and Torres Strait

Islander population. The current Bill creates additional blockages for RTOs in relation to the delivery of services to Aboriginal and Torres Strait Islander students.

CONSULTATION

The comments below are based not only on the experience of the Batchelor Institute but also from conversations and comments from Aboriginal and Torres Strait Islander students and communities.

ANALYSIS AND COMMENT

The general concern is that we are over-regulating the VET-FEE-HELP system rather than more strongly regulating the VET-FEE-HELP Providers attaining their initial and ongoing registration and through the ASQA compliance and auditing system. The problem is not with the VET-FEE-HELP Loan Scheme, *per se*, but with the unethical practices of RTOs; usually the for-profit RTOs.

The commentary and analysis below demonstrates the problems imbedded in the implementation of the Bill; especially for an RTO such as Batchelor Institute. They also exemplify the issues raised recently by Barbara Belcher (Belcher Red Tape Review) and by Dr Martin Parkinson, the previous Secretary to the Treasury.

More specifically in relation to the proposed amendments:

1. The "VET Administrative Information for Providers Addendum Incorporating the VET FEE-HELP reforms 2015/2016" vs 1 was published on 1.7.2015 to become effective as of 1.7.2015 - this included the introduction of 4 census dates for a course, without any clarifications how this would work but asking providers to implement in the middle of an academic year - note AVETMISS changes require all changes to be documented in a new version before the start of an academic year, and are communicated to the sector to allow for introduction to take place. The timing of changes makes it unmanageable and leaves insufficient time to implement.
2. On version 3 - published on 12 October 2015 the following were added:
FAQ about the "2 day cooling off period" - this disadvantages students because they have to submit two forms with three days apart, eg the enrolment form, and then on the 3rd day the VET FEE-HELP form. In practice this would mean that a student needs to travel twice to an RTO, or has to fax two forms on separate days. This is an administrative barrier for students more than a provider – especially in rural, remote and very remote communities.

["Enrolment in the course commences on a person's acceptance of an offer for a course when a student provides to the provider a range of personal and other enrolment information and makes the decision to commit to an enrolment in study of a particular qualification. The Higher Education Support Act 2003 (the Act) will require, from 1 January 2016, that students have two days after enrolment before they are allowed to submit a Request for Commonwealth Assistance form (the VET FEE-HELP loan application form). Providers will need to maintain (for five years) adequate records of enrolment and applications for VET FEE-HELP to show compliance with the requirements".]

3. The introduction of a prescribed content of the "Invoice Notice" to a student no less than 14 days prior to the census date.

The timing to introduce this specific invoice is insufficient and costly for RTOs to implement - changes to the systems are costly. Specifically, the new invoice has to include the following: "the person's Commonwealth Higher Education Student Support Number (CHESSN)". The CHESSN is a unique identifier that identifies a student who is Commonwealth supported or in receipt of HELP assistance.

CHESSN is not reported to HEIMS until the enrolment files are submitted 8 weeks after the census date. A student does not 'consume' VET-FEE HELP until AFTER the census date, not before the Census Date. In HE https://docs.education.gov.au/system/files/doc/other/he_aip_february_2015_-_20150223_1.pdf the student is not advised of their CHESSN until they receive their Commonwealth Assistance notice 8 weeks after the census date, as that is the time their debt is reported.

Why are VET Students advised of their CHESSN prior to the census date when they have not had their debt reported?

HEIMS clearly states that:

"A CHESSN will only become active within HEIMS when a record for the student is received in the Student Load-Liability submission. The HEP will inform the students of their CHESSN through the Commonwealth Assistance Notice (CAN)."
http://heimshelp.education.gov.au/sites/heimshelp/2012_data_requirements/2012higherstudent/scope/pages/chessn Hence the inclusion of CHESSN numbers on invoices sent prior to the census date would seem to serve no purpose.

4. There are concerns regarding the introduction of mandated entry requirements through national testing. This is again an over-regulation that is not applied to the Higher Education System. We are concerned that national testing will create yet another barrier to students who do not fit the 'mainstream' profile. Again, this level of regulation can be done through compliance audit of RTO's processes through the usual ASQA audit regime and does not require another layer of complexity to an already over-complicated training system.

It has been posited that RTOs can develop their own entry assessments provided the entry assessment process had been validated by a third party. We are concerned that this mechanism is included into the process and not just a national test be mandated.

RECOMMENDATION

It is recommended that the Committee:

1. Note the comments made above and ensure that the implementation of the Bill does not impact VET outcomes for Aboriginal and Torres Strait Islander Students.
2. Note the comments made above and ensure that the implementation of the Bill does not reduce the ability to deliver VET and employment opportunities to remote and very remote communities.
3. In the future, include the Batchelor Institute of Indigenous Tertiary Education as an important source of commentary and analysis in relation to the delivery of both VET and Higher Education to the Aboriginal and Torres Strait Islander population; and for the impact of policy, funding and legislative changes on remote and very remote communities.

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