

**Navitas Submission to the Senate Education and
Employment Legislation Committee Inquiry -
Higher Education Support Amendment (VET FEE-
HELP Reform) Bill 2015**

Navitas Submission: Inquiry into the Higher Education Support Amendment (VET FEE-HELP Reform) Bill 2015

Comments

Navitas supports the Government's VET FEE-HELP (VFH) reforms announced in March 2015 and the measures contained in the *Higher Education Support Amendment (VET FEE-HELP Reform) Bill 2015*.

Navitas is of the view that the Bill will achieve its objectives to:

- "give effect to the Government's decision to strengthen the administration of the VET FEE-HELP loan scheme;
- respond to inappropriate market practices;
- introduce complementary actions to improve the quality of outcomes for students; and
- protect students, public monies and the reputation of the broader vocational education and training (VET) sector."¹

Schedule 1, Part 1 of the Bill provides an improved legislative framework that introduces significantly stronger protections for learners, including safeguarding against the exploitation of those who are not academically suited to undertake a particular VET course of study. It requires VET providers to have an Entry Requirements Procedure and mandates a two-day gap between student enrolment and a VFH loan application.

Navitas supports the introduction of the civil penalties and enforcement regime. It will provide for timelier and more appropriate responses to breaches of the VET Guidelines. While noting the national VET regulator, ASQA, will have powers under the Regulatory Powers Act in relation to the enforcement provisions, it is important to ensure that ASQA has the resources, systems and capabilities to fulfil this role. Firm, decisive, expeditious and appropriate action by the regulator against low quality providers and any unconscionable conduct will go a long way to restoring public confidence in Australia's high quality public and private vocational education system.

Navitas is of the view that the amendments proposed by Government comprehensively address issues of exploitation and other inexcusable conduct by a small number of VET providers, whose primary purpose does not appear to be to provide relevant skills qualifications and employability outcomes for prospective and enrolled learners.

¹ House of Representatives Explanatory Memorandum, *Higher Education Support Amendment (VET FEE-HELP Reform) Bill 2015*, page 2

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Navitas has serious concerns that there are currently insufficient safeguards to prevent ongoing exploitation of vulnerable learners by third parties. While providers must be held responsible for any third parties they engage (and recent changes to the Standards for RTOs make this clearer), Navitas also urges the introduction of Government legislative standards for third party brokers and agents. Brokers and agents should be required to meet these additional standards in the recruitment of VET students on behalf of providers. This change would better protect students by allowing direct government intervention where third parties are engaged in inappropriate practices, as well as continuing to hold providers to account.

Non-Government Amendments

In the second reading of the Bill the Opposition proposed a number of amendments that sought to strengthen protection for students and taxpayers. The first of these amendments was the establishment of a national industry Ombudsman that would provide an avenue to deal with and resolve individual complaints from students.

Navitas would support the introduction of a national industry Ombudsman. While a number of States have a Training Ombudsman or similar arrangements Navitas would encourage a cooperative national arrangement that ensures all domestic students have access to a simple, cost-effective mechanism to deal with their complaints.

The Opposition is also seeking to amend Schedule 1, Item 7, clause 23C of the Bill, namely to require students to receive and accept an offer of VFH assistance from the Department by the relevant census date.

Navitas does not support this amendment for the following reasons:

1. Navitas is of the view that this amendment does not provide increased protections to learners above those proposed by the Government's Bill. The amendments² may in fact lead to hardship for academically suited VET students who inadvertently fail to

² '(a) the student will not be able to receive * VET FEE-HELP assistance for the unit unless the student, before the end of the * census date for the unit, accepts an offer from the * Secretary to lend the student VET FEE-HELP assistance for the unit; and
(b) the student will be taken never to have enrolled in the unit if the student does not accept the offer before the end of that census date.'

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meet the restricted time lines and additional administrative processes required by the amendment.

2. The Government's amendments utilise current processes which are largely electronic, taking advantage of modern systems provided by the Department to automate the application process, generate CHESNs and notify students and providers that a FEE-HELP loan has been approved. The Opposition's proposed additional process requirements will sit outside the automated system and require a paper-based response. Within a limited period of time students will be need to print and sign a contract, then scan or post the documentation back to the Department. This additional process is an unnecessary administrative burden to student participation in the VET system³.
3. Many VET students are returning to education after many years outside the education and training system and are unused to navigating the administrative requirements of the training system. The amendment will see students who are genuinely suited to their enrolled course of study but who fail to respond within the tight timeframe excluded from VFH for that course of study. There may also be a large number of unintended enrolment cancellations if access to printing and scanning equipment is not available because students are absent from college during the relevant period due to work, family commitments, illness or their study timetable or mode of study.
4. In addition the amendment will deem those students 'taken to never have enrolled in the unit.' There are likely to be cases where the student wishes to remain enrolled in the course and make other arrangements to pay for their course of study, e.g., seek part-time employment. This would lead to inequitable treatment for those students and an additional financial and personal burden that does not apply to those who meet the very limited response deadline.
5. The proposed amendment will also create a process inequity between VET students and HE students that will be very apparent within dual sector institutions, which will have to implement two separate processes for course applications and enrolments.

³ The Minister for Vocational Education and Skills, during the second reading of the Bill, advised that an electronic lodgement process for VFH applications will be implemented from January 2017.



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Navitas is a strong advocate for a transparent, proportionate risk management approach in regulation, consumer protection and quality assurance. However it is important that legislation, while ensuring strong protections for learners, does not create unnecessary and duplicative administrative red-tape for high quality, low risk providers and their student cohorts. It is critical that Australia's high quality, low risk public and private tertiary education providers invest their focus, energies and resources into graduating learners with the right mix and quality of knowledge, skills and attributes needed to serve our changing economy and to compete and engage globally.

About Navitas

Navitas Ltd is an Australian global education partner providing pre-university and university programs, English language courses, migrant education and settlement services, creative media education, student recruitment, professional development and corporate training services to more than 80,000 students across a network of over 120 colleges and campuses in 31 countries. Navitas listed on the Australian Securities Exchange (ASX) in 2004 and is now an S&P/ASX Top 100 Company, employing more than 5,800 staff globally.

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