

Navitas submission to the Higher Education Red Tape Reduction Action Plan

About Navitas

Navitas is an Australian founded and based global education provider that offers an extensive range of educational services for students and professionals including university programs, English language training and settlement services, creative media education, workforce and professional education, and student recruitment.

More than 80,000 students and clients learn with Navitas across a network of over 110 colleges and campuses in 27 countries. Navitas is an Australian publicly listed corporation which is included in the ASX 200 index.

Further details about Navitas are available at www.navitas.com.

Executive summary

Navitas welcomes the review of Australia's Higher Education regulatory regime and is a firm believer that there is significant efficiency and productivity to be gained from a more effective and targeted regulatory environment and the enhancement of the student and provider experience for the benefit of all parties including government.

Navitas makes the following recommendations:

1. An earned autonomy system be introduced as access to such a system would provide a tangible incentive to providers to either maintain high quality operations or enhance quality.
2. Providers be able to supply a single comprehensive registration submission to one regulator only and have that registration recognised by other regulators.
3. A single national provider database be created that allows providers to keep information up to date, and to which any and all government agencies could access as and when required.
4. Cost and information needed for accreditation and reaccreditation requirements should be reviewed and assessed to reduce the amount of data required for such a process.
5. The regulator should operate under a Service Charter that mandates a maximum assessment period, such as 120 days, for all registration and accreditation processes.
6. The Registration / Renewal of Registration Application process be streamlined to incorporate CRICOS Registration and that the fees and timelines be reviewed.
7. The Registration / Renewal of Registration Application process recognise controlling legal entities.
8. The requirements and expectations of education providers in relation to assessment be clearly published by the regulator.
9. Departments and regulators be required to work together to create one simplified, single risk assessment framework utilising measures that properly and reliably assess risk.
10. A single data collection process per year be introduced for a single national provider database as a way of realising efficiencies of scale and significantly reducing duplication of workload for providers and government.
11. If the Terms of Reference of this Review cannot be expanded to cover other education and training sectors that the Review recommend the application of key outcomes to other regulators.

Navitas response

Navitas notes the terms of reference and has provided responses and examples below.

Tertiary Education Quality Standards Agency (TEQSA)

To date TEQSA's application of the three regulatory principles of regulatory necessity, reflecting risk and proportionate regulation has been underwhelming. There have been significant opportunities, some outlined below, to reduce regulatory burden for high quality education providers yet little appears to have eventuated in terms of more proportionate regulation. If anything regulatory burden appears to have increased under the TEQSA regime.

Navitas has raised this matter in a number of forums over the past few years and provided submissions to TEQSA in 2012 in response to the regulator's Consultation Paper 2012 Provider Information Request and to the then Department of Industry, Innovation, Science, Research and Tertiary Education on the Higher Education Staff Data Collection Review issues paper.

Earned autonomy

For many years Navitas has publicly advocated for a move to a provider-based proportionate approach to regulation and would welcome a system such as earned autonomy which takes into account the history, governance and academic and financial performance of a provider.

In particular the principle of reflecting risk is critical as it allows established and high performing providers with lower risk profiles to be acknowledged for their prudence and distinguished from higher risk providers – both enhancing the effectiveness of regulatory resources and providing opportunity for the latter to have initially higher levels of oversight and guidance, which may reduce should their risk factors diminish.

Recommendation – An earned autonomy system be introduced as access to such a system would provide a tangible incentive to providers to either maintain high quality operations or enhance quality.

Multi sector providers

Currently a considerable number of providers are required to undergo Australian Skills Quality Authority (ASQA), TEQSA and Education Services for Overseas Students (ESOS) registration and audit processes, all of which occur at different times but require similar information and processes. This will only increase as a growing number of public and private providers deliver courses to domestic and international students across the higher, vocational, English language, and in some cases secondary, education sectors. A multi-sector provider has to provide similar information e.g. corporate governance, financial viability, and professional development of staff, during three separate assessment processes for registration.

Recommendation - Providers be able to supply a single comprehensive registration submission to one regulator only and have that registration recognised by other regulators.

Additionally each time a Navitas college applies for new course accreditation for any sector (HE, VET, English language) the college is asked for the same or similar information including; company registration documents, fit and proper persons declarations, company governance structures, strategic plans, financial statements, history of registration/accreditation, CVs of senior management staff and CVs of academic staff. In addition this information is often requested in different formats by the varying regulators which then require additional work to amend.

Recommendation - A single national provider database be created that allows providers to keep information up to date, and to which any and all government agencies could access as and when required.

VET-FEE HELP

Navitas remains supportive of changes proposed in the 2012 VET FEE-HELP Redesign Discussion paper released by DIISRTE. Key points include:

- Simplifying application processes for dual sector providers so they can apply using one application process rather than two;
- Ensuring quality by tightening legislation to reduce unethical or fraudulent access; and
- Enhanced communication of VET FEE-HELP availability and benefits will be critical in raising the profile of the benefits and opportunities of FEE-HELP.

Other opportunities for improvement

Overly complicated and long registration and accreditation processes

Overly long and complicated re/accreditation processes are reducing international education providers' competitiveness and ability to recruit students.

As an example one of Navitas' well-established higher education pathway colleges communicated with TEQSA that it wanted to amend a current one year diploma to a two year diploma when it was due for reaccreditation in July 2013. After exploring options on how to approach reaccreditation at the same time as accreditation of new programs, the only concession granted by TEQSA was a reduction in the fee for the accreditation of each program resulting in a total \$45k cost as opposed to \$80k.

However, the amount of paperwork required to complete the process was not reduced resulting in 10 full sets of accreditation/reaccreditation documents, each over 60 pages with hundreds of pages of attachments.

The administrative exercise required to collate this paperwork essentially completely occupied three staff (two quite senior) for around 10 weeks. Aside from meeting regulatory requirements this time added no value to the college or the academic quality of the institution.

All of this documentation was submitted in March 2013 but to date no response has been received therefore the two year diploma cannot be marketed and it is unlikely that the program will be able to commence in 2014.

This is a far more onerous, costly and lengthy process than providers were submitted to under the state regulators.

Another of our well-established Higher education pathway Colleges recently submitted a reaccreditation application for a Diploma program. The total number of hard-copy pages submitted was 990, and three copies of this document were required. The total time required for one Senior staff member was almost four months. Two other staff members (including the College Director) also dedicated several weeks of their time prior to submission of the documentation. The application was submitted in early December 2012, and after two further requests for extensive additional information, the Commissioners met in June 2013 to determine if reaccreditation should be granted.

Recommendation – Cost and information needed for accreditation and reaccreditation requirements should be reviewed and assessed to reduce the amount of data required for such a process.

Recommendation – the regulator should operate under a Service Charter that mandates a maximum assessment period, such as 120 days, for all registration and accreditation processes.

High cost of regulatory adherence

The cost of regulatory adherence has risen significantly in recent years.

- TEQSA's Preliminary Assessment Fee of \$5,500 is quite excessive assuming it only entails TEQSA staff undertaking a review of the submission to identify if all information has been submitted. Precise details of what Preliminary Assessment involves are not available to determine the appropriateness of this amount;
- The TEQSA Substantive Assessment Fee of \$16,500 for Registration and \$20,000 for Renewal of Registration are quite high considering the NSW Department of Education and Communities used to process a registration application for approximately \$9,000; and
- Applications for Registration and Re-Registration on CRICOS involve a full, separate application process resulting in the duplication of vast amounts of information and data. This process also incurs additional fees of \$5,000 which would be redundant if the HEP and CRICOS registration was streamlined into one application.
- Similar issues arise with ASQA fees. The impost on multi sector providers is substantial. (Navitas submission to the Australian Skills and Quality Authority on the 2013 Cost Recovery Impact Statement – Exposure Draft)
- Despite the move to a national regulatory system, providers which operate across State and Territory borders and/or have a number of subsidiary companies offering the same courses bear excessive regulatory and cost burdens as a result of TEQSA and ASQA's processes which register and accredit each legal entity. There is currently no willingness by TEQSA or ASQA to recognise the performance or cross guarantees offered by parent companies meaning that expensive processes such as annual audited financial results must be completed for each legal entity rather than at a parent company level.

Recommendation - The Registration / Renewal of Registration Application process be streamlined to incorporate CRICOS Registration and that the fees and timelines be reviewed.

Recommendation - The Registration / Renewal of Registration Application process recognise controlling legal entities.

Recommendation – The requirements and expectations of education providers in relation to assessment be clearly published by the regulator.

Developing a national risk framework

TEQSA has developed and implemented a Regulatory Risk Framework, ASQA has developed and implemented a Risk Assessment Framework and VET FEE-HELP is considering developing a risk-managed approach to HELP Scheme approvals. Further risk frameworks have been developed for the Tuition Protection Scheme and Streamlined Visa Processing, albeit in the case of SVP focused on migration risk. Clearly, a situation where multiple risk frameworks exist for different regulators creates significant duplication and regulatory overburden.

Navitas has already submitted, in relation to TEQSA's financial risk assessment framework, that many of the indicators determined for measuring risk are not reliable indicators or even proxies for financial risk. These indicators should be abandoned and replaced with indicators that properly assess the financial viability of an education provider.

Recommendation - Departments and regulators be required to work together to create one simplified, single risk assessment framework utilising measures that properly and reliably assess risk.

Data collection

The PhillipsKPA report on university reporting requirements calls for a national university data centre managed by a single government department to administer all data collections from universities. This idea is also suggested in the *Assuring Quality While Reducing the Higher Education Regulatory Burden* document. Navitas strongly supports a single government data centre however it must cover the entire education and training sector if the cost of duplication and excessive red tape is to be reduced.

As an example currently some education providers teaching vocational qualifications can be required to supply data to two separate regulatory bodies using three different pieces of software (Learner Satisfaction Survey – SMART software, Competency Completions – NCVER software, Queensland Certificate of Education – SLIMS software). This occurs once per year for the first two, and by semester for the third.

Further to this, providers that are approved to offer students access to government assistance to fund tuition fees (e.g. FEE-HELP, VET FEE-HELP) are also required to participate in the sector-wide data collection by the HEIMS Unit within DIICSRTE (HEPCAT software). There are several submission points throughout the year.

This burden continues to grow. In 2012 TEQSA commenced its first data collection, by recognising the student enrolment data collected via HEIMS and adding even more elements, including staffing, student survey data and financial data, such as cash flows.

Ultimately providers are being overwhelmed by multiple submission dates, numerous bespoke software packages and overlap between multiple regulators.

Recommendation –A single data collection process per year be introduced for a single national provider database as a way of realising efficiencies of scale and significantly reduce duplication of workload for providers and government.

Other regulatory bodies

The terms of reference of this review are focused on the higher education sector however consideration must be given to applying key outcomes to the other education and training regulators such as ASQA. This will allow any benefits to flow across all sectors and not just the higher education sector. Such a move would also benefit many multi sector providers who otherwise would still be subject to duplicative and redundant regulation from more than one regulator.

Recommendation – if the Terms of Reference of this Review cannot be expanded to cover other education and training sectors that the Review recommend the application of key outcomes to other regulators.

- Ends -

Submitted by Navitas Limited and authorised by Navitas CEO, Rod Jones.
Level 2, Kirin Centre
15 Ogilvie Road, Mt Pleasant
WA 6153 Australia
Tel: 08 9314 9617