

## Introduction

Independent Higher Education Australia IHEA represents the majority of Australia's registered and accredited independent higher education and dual sector providers, including all of Australia's independent universities, and has members with campuses across Australia.

IHEA members educate students in a range of disciplines including Law, Engineering, Agricultural Science, Architecture, Business, Accounting, Tourism and Hospitality, Education, Health Sciences, Theology, Creative Arts, Information Technology and Social Sciences.

IHEA members operate with both for-profit and not-for-profit business models, and educate domestic and international students in undergraduate and postgraduate programs. The Australian independent higher education sector comprises more than 140,000 students and 120 institutions, with independent providers variously accredited to offer courses across the full AQF range (diplomas up to doctorates).

IHEA is an active member of the VET Student Loans Provider Reference Group which provides advice to DESE on the operations of the VSL scheme. IHEA members are in alignment with the Department of Education Skills and Employment (DESE) goals in administering the VET Student Loan Program to:

- protect the interests of VET students, and maximise the educational experience of students
- ensure the appropriate spending of public monies
- protect the reputation of the VET Student Loans program see <https://www.dese.gov.au/vet-student-loans/resources/vsl-and-vfh-compliance-strategy>

The following briefly addresses questions included in the VSL consultation paper.

## Consultation Approach

IHEA welcomes the partnership approach to the VSL redesign and acknowledges that this is crucial to delivering real and tangible benefits to all stakeholders including providers, students and DESE.

### *What types of consultation activities would work best for you, as a provider?*

IHEA members would welcome a whole range of consultation activities. These would include meetings with IHEA, working groups and members of the VSL to attend IHEA sponsored events. IHEA members would also welcome regular email communication or e-communications sent to members.

Consultation should be continuous and transparent. This will assist all stakeholders to identify potential problems as soon as possible. IHEA strongly supports the current partnership approach for VSL design.

### *Would you prefer to be actively involved in developing and implementing redesign, or would you prefer to be advised and informed, ahead of change occurring?*

As a peak body IHEA prefers to be involved in the development stage of redesign to assist in advising and envisaging how changes will impact our members as providers. IHEA members will vary in how they prefer to engage – larger institutions with available resources will prefer engagement during the design stages, other smaller providers will be best able to participate through consultation at the penultimate point of implementation. However, regardless of the scale and size of the provider, all providers should be afforded early opportunities to participate in any changes that could impact their operations.

## Support for providers

### *Would you benefit from having a VSL account manager?*

IHEA members propose institutional account managers that are accessible and responsive to institution queries and concerns. This would allow providers to form ongoing relationships with managers in turn providing informed advice and greater efficiencies for all stakeholders.

IHEA members express frustration with systems which offer a one-way channel of communication through a 'general enquiries' email address. Providers submitting information through this channel are not aware of whether their matter has been considered, timeframes for responses or which officer is considering their correspondence. A direct account manager would resolve these inefficiencies.

The capability to speak directly with a relevant officer who is trained to respond to institution level enquiries, informed on the actual institutions account and has developed an ongoing relationship with the institution, remains the most effective form of engagement between regulated entities and regulatory bodies.

The case manager model applied by the Tertiary Education Quality Standards Agency (TEQSA) is supported by IHEA members, all of whom are registered higher education institutions. TEQSA encourages providers to contact their case manager for support and guidance which in turn delivers efficiencies through minimising non-compliance and best protecting students.

### *Providing an account manager for every provider all of the time is resource intensive. If the department had to limit the resource, how could we best target the use of account managers?*

IHEA acknowledges that an account manager model may be a resource intensive approach, however the benefits of the efficiencies such a model delivers will continue to grow as account managers develop greater knowledge of the sector at the institution level.

The account manager model may not need to be considered in the frame of '*Providing an account manager for every provider all of the time*'. Grouping of providers by the level of engagement they require and risk ratings for example could drive efficiencies. Greater agency synergies could also enable Dual Sector Providers to have a single case/account manager.

The implementation of full cost recovery across the regulated tertiary sector increases sector and institution expectations that regulator operations are effective, transparent, responsive, and efficient. These efficiencies are also expected by the Australian community who accumulate education debt in pursuit of job ready skills.

## Provider Course Eligibility

### *What factors are important for quality course delivery?*

Quality course delivery is impacted by several factors. The ability to plan and have certainty in funding support for students is crucial to the stability of any provider and enables providers to effectively plan, budget and invest in adequate staffing and support service that all go to ensuring quality delivery.

VSL providers are familiar with the Australian Vocational Education and Training Management Information Statistical Standard (AVETMISS) for VET providers which is the data standard for the National VET Provider Collection and the VET in Schools Collection. The data collected includes learner engagement and completion and attrition rates. Similarly, the data collected by the Quality Indicators for Learning and Teaching (QILT) also demonstrate quality in course delivery in the higher education space.

*Should different eligibility requirements apply to different providers/courses? For example, should a provider be automatically VSL approved for a course if they are approved to deliver the course under state or territory subsidy arrangements, or have demonstrated VSL experience in delivering similar courses?*

IHEA believes that different eligibility requirements should apply where the provider can demonstrate they are already approved to deliver a course under state and territory subsidy arrangements, are an approved FEE-HELP provider and/or have demonstrated VSL experience delivering similar courses. In summary, where providers have history in delivering courses under other subsidy arrangements (including in higher education) or experience in VSL they should be approved as a VSL provider.

*Should all VSL providers have automatic VSL approval for courses on their RTO Scope of Approval where the course is listed on the VET Student Loans (Courses and Loan Caps) Determination 2016, or is a separate VSL assessment and delegate approval warranted?*

IHEA supports automatic VSL approval for courses on the RTO Scope of Approval however proposes a separate VSL application process for new entrants. The VSL application process should be as streamlined as possible - similar to the CRICOS application for registered higher education providers<sup>1</sup>. The application process should not increase regulatory burden through duplication with providers able to cross reference material previously submitted as part of another application.

*What are some expected benefits of alternative approaches? What are the likely challenges, and how could these be overcome?*

The primary goal of the VSL system is to support students to attain employment skills and training that contributes to career progression and lifelong learning. Alternative approaches may support development of a more diverse range of vocational education providers and accessible courses targeted to meet student and industry demand.

The challenges primarily relate to ensuring that VSL supports courses with identifiable employment pathways and that students are completing courses. This challenge can be addressed through effective regulatory practices that monitor course enrolment numbers and completion rates.

*What information do you report multiple times as VET and VSL provider?*

IHEA has long been concerned about and advocated on behalf of its members regarding the regulatory burden and the many aspects of duplication in regards to reporting. A VET & VSL provider will often have to additionally report to their state or territory governments if they are delivering lower-level qualifications in response to state and territory skills delivery contracts

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<sup>1</sup> <https://www.teqsa.gov.au/cricos-registration>

The following provides some examples of multiple reporting requirements. This is by no means a complete list:

- VSL Statement of Covered fees which is a statement issued to a student that provides details of the total course fee and how much will be covered by the loan amount<sup>2</sup>.

VSL fee notice which is sent to the student 14 days before each Census Date. This indicates fees and the Census Dates for the course<sup>3</sup>. Some of this information is repetitive and excessive for both the provider and the student.

In addition, our members are required to report to ASQA the following documents;

- Annual Declaration on Compliance and
- Quality indicator data by 30 June each year<sup>4</sup>.

In addition, providers are regularly required to provide detailed information to ASQA to inform systemic reviews of compliance and other regulatory matters. This creates substantial demand on providers, especially small institutions to employ or contract staff to meet a complex range of reporting requirements.

All IHEA members who are eligible for VSL are dual sector providers. There is substantial unnecessary duplication in the reporting requirements of ASQA and TEQSA in addition to the reporting requirements into the two different sections of DESE in relation to VSL and FEE-HELP.

In summary, IHEA members are required to report multiple times the following information;

- Number of students
- The fees charged
- The course the students are enrolled in
- VSL amounts.

The introduction of the TCSI reporting system has caused an unacknowledged high level of burden on all providers throughout the already difficult past eighteen months and increased the frequency and amount of reporting for all.

A range of complex requests that require collation at submission of large amounts of information give rise to increased pressures on their student management systems in addition to increased privacy and data security concerns.

IHEA members have had to mitigate these risks by employing dedicated specialists which significantly impacts the cost of delivering courses.

A number of IHEA members have reported that the shift to VSL has not been a positive experience to their institutions or their students. Some higher education providers were excluded from the start of the VSL program, due to their company structures being trusts and/or the higher level VET qualifications they delivered under VET FEE-HELP were not on the Ministers 'approved list'. This included any providers who were course owners of VET accredited courses that were Diploma or Advanced Diploma level. Others have reported that they do not see the benefits of applying to be a VSL provider while others have left the vocational education sector altogether due to the burdensome costs and regulatory complexity of compliance.

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<sup>2</sup>[https://www.studyassist.gov.au/sites/default/files/vet\\_student\\_loan\\_booklet\\_2017.pdf?v=1521173947#:~:text=VET%20Student%20Loans%20Statement%20of,covered%20by%20the%20loan%20amount.&text=Before%20you%20decide%20where%20to,to%20make%20some%20important%20decisions.](https://www.studyassist.gov.au/sites/default/files/vet_student_loan_booklet_2017.pdf?v=1521173947#:~:text=VET%20Student%20Loans%20Statement%20of,covered%20by%20the%20loan%20amount.&text=Before%20you%20decide%20where%20to,to%20make%20some%20important%20decisions.)

<sup>3</sup> <https://www.tafensw.edu.au/documents/60140/76288/VSL+FAQ%27s+for+students+V2.0.pdf>

<sup>4</sup> <https://www.asqa.gov.au/resources/faqs/data-and-reporting-requirements>

*What are some expected benefits, and how could we quantify these? For example, what is the amount of effort currently required to prepare and submit for Annual Forecasts?*

As a peak body IHEA does not collect data on effort to prepare and submit Annual Forecasts. Individual institution advice on this question will provide informed response.

#### Revised Loan Cap Bands

*The recent Productivity Commission review of the National Agreement for Skills and Workforce Development recommended that VSL increase the number of loan cap bands and draw upon the National Skills Commission (NSC)'s estimates of efficient course costs to set loan caps. What are the key benefits to either increasing the number of loan cap bands for VSL or setting individual loan caps for each course? What are the key risks?*

The key benefit to increasing the number of loan caps would mean that more students have access to loans that more closely reflect the cost of delivery. The current loan caps result in some students incurring additional costs as a result of fee gaps. The introduction of more loan caps should increase competition for students and decrease fees thereby minimising the impact of students on out-of-pocket fee costs. The *VET Student Loans Act (2016)* states that the object of this Act is to provide for loans to students for vocational education and training ensuring that loans are provided;

- a) to genuine students; and
- b) for education and training that meets workplace needs and improves employment outcomes.

In an environment of significant workforce and skills shortages VSL settings need to encourage providers to offer courses and students to enrol in them as well as best supporting students to complete.

An example of where the loan cap impacts high demand and priority courses is its application to the Diploma of Nursing, a course that requires professional accreditation by ANMAC and ASQA and DESE accreditation. The VSL loan cap is currently \$15,000<sup>5</sup>, yet the average course fee is \$21,292<sup>6</sup>. IHEA members propose that professionally accredited and highly regulated courses are low risk and that loan caps be removed to take into account the real cost of delivery.

*What changes would you need to be made to your IT systems to accommodate these changes and how long would this take?*

As a peak body IHEA does not collect data on institution IT systems. Individual institution advice on this question will provide informed response.

#### **Contact**

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<sup>5</sup> <https://www.legislation.gov.au/Details/F2022L00282>

<sup>6</sup> <https://www.myskills.gov.au/courses/details?Code=HLT54115>