

VET Student Loans Course List and Loan Caps Methodology Review

LPA submission in response to Key Questions of the Discussion Paper

Submitted via online form to the Department of Education and Training (30 May 2017)

1. COURSE LIST METHODOLOGY

The current methodology used to determine eligible courses for VET student loans is a 'one-size-fits-all' approach that presents a number of limitations.

- State and territory subsidy lists are developed to meet the specific priorities of each jurisdiction. Adopting a state-based methodology is problematic for meeting national priorities, particularly for the live performance industry that predominately operates on a national scale with a fluid labour market across state boundaries. Our industry depends upon skills-training provided by reputable national training institutions. Skills needs in the live performance industry lack recognition on state and territory subsidy lists as they are not identified as a priority for their localised jurisdiction, but in fact provide crucial creative training at a national level.
- The current methodology lacks direct consultation by the Department of Education and Training with industry bodies and employers. Direct industry consultation is crucial for accurately informing Government on how VET courses can meet the national skills and training needs of Australian industries. The level of consultation in determining state and territory subsidy lists is variable and inconsistent across jurisdictions, particularly for the live performance and creative industries more broadly.
- The live performance industry depends upon a labour market that significantly consists of contractors and sole operators (PwC's Skills for Australia, April 2017, *Industry Skills Forecast and Proposed Schedule of Work: Culture and Related Industries*, p.40). VET level training can provide the essential creative skills to operate as contractors or sole operators in the industry. This will not be identified by the criteria of state and territory subsidy lists that focus predominately on traditional full-time employment outcomes, which does not reflect or meet the requirements of the modern creative industries work environment.
- Criteria for eligible courses is currently limited to course type. However, to meet current and future industry skill priorities the quality and content of courses is a fundamental measure for ensuring VET courses are delivering relevant training to meet the job-ready requirements of Australian industries.

The limitations of the current methodology impedes student accessibility to reputable VET courses that provide an important training pipeline for creative professionals into the live performance industry. The current eligible course list rightly recognises the need to support technical and production professionals. However, our industry is also currently grappling with an undersupply of other qualified professionals, in particular highly-trained dance professionals that are job-ready. As a result, employers in our industry have to conduct informal on-the-job training and on occasion recruit trained professionals from overseas to fill this gap (PwC's Skills for Australia, April 2017, *Industry Skills Forecast and Proposed Schedule of Work: Culture and Related Industries*, p.24).

LPA Members identified an undersupply of elite dancers with the skills, training and experience required for high employability in professional contemporary dance. The *Diploma of Dance (Elite Performance)* and the *Advanced Diploma of Dance (Elite Performance)* delivered by quality providers with strong links to industry can fill this gap. There is currently only one approved provider of these courses on the eligible course list. As far as we are aware, no transparent rationale or criteria has been provided to show how it was determined that only one provider of these courses should be deemed eligible for student loans. Approving only one provider is problematic as it limits the pool of quality education choices for students, is geographically limiting, and is likely to further exacerbate the undersupply of highly-trained dance professionals. One major dance company stated that they are unlikely to employ graduates from the current limited eligible course list, as the content offered by these courses is too narrow for the needs of their company.

The Department should adopt an evidence-based methodology for determining an eligible course list for student loans. Recommendations for how this may be achieved have been provided under "Additional Information" of this submission.

The VET Student Loans program needs to ensure that the eligible course list encompasses the range of quality VET courses that are valued by the live performance industry and delivered by reputable institutions.

- All VET courses offered by the national elite performing arts training organisations that are funded by the Department of Communications and the Arts should be eligible for VET Student Loans. These performing arts training organisations are funded by the Government as they are recognised as providing vital training programs in support of Australia's artistic and cultural excellence for a thriving creative economy. Additionally, all VET courses offered by performing training organisations that are funded by state or territory governments should be eligible for student loans in recognition of their role in promoting artistic excellence across the states and territories.
- The current methodology only determines eligibility based on course type. However, for graduates to meet the required skill needs for entry into the live performance industry the course content must have industry relevance. This is achievable by ensuring course providers have close affiliation to employers in the industry, and that industry regularly feeds into the development of units of study. VET courses that are led by or maintain strong connections to professional companies in the industry are in the ideal position to provide industry relevant high-quality training in job-ready skills. LPA supports the recommendation asserted in AMPAG's submission that the eligible course list should include VET courses

delivered by or in close partnership with professional employers in the performing arts, including proven capacity to transition students to employment opportunities.

- Schedule 3 of the *VET Student Loans Determination 2016* allows education providers to apply to have their individual course considered for eligibility for student loans if they can prove industry support and strong employment outcomes. Clear and transparent criteria for this process should be provided, and the rationale for approving or denying applications should be consistent and transparent. LPA also recommends that individual course applications be peer-reviewed by relevant industry entities to ensure they meet industry skill needs.

VET courses provide an important stepping stone for upskilling into higher education. Courses that provide proven pathways for transition into higher education should be eligible for student loans.

2. COURSE LIST UPDATES

Employers and VET course providers in the live performance industry will rely upon a process for updating the eligible course list that provides stability and certainty. The development of VET courses in our industry involves extensive planning and preparation prior to commencement. For VET course providers to effectively deliver courses they require security in the confirmation that the status of a course will not change without thorough advance notice. This stability is also important for prospective students considering and applying for admittance into courses.

For example, admission into performance-based courses often involves a rigorous audition process that students prepare for months in advance. Therefore, students need to know well in advance before preparing course applications if they are eligible for VET student loans. LPA supports the recommendation stated in AMPAG's submission that course eligibility should be confirmed 12 months in advance of course commencement.

3. LOAN CAP METHODOLOGY

As recognised in the Discussion Paper, students need access to information on the sought after skills and qualifications by employers, as well as measures on how courses are delivering high-quality training to meet employers' requirements. One LPA Member noted that there are currently no standardised benchmarks for VET courses in live performance. The development of common measureable standards may help guide students toward courses that are more likely to provide the employment outcomes desired.

The Discussion Paper states that the purpose of developing an eligible course list is to support courses that have "high national priority, meet industry needs, contribute to addressing skills shortages and align with strong employment outcomes" (p.6). Upon determining an appropriate methodology that ensures the list achieves this for all industries, applying a loan cap that requires students to pay upfront course costs will risk imposing barriers to entry for disadvantaged students that are not able to pay the upfront costs.

This may create an inequitable education scheme that disadvantages and potentially locks-out prospective students with proven talent or merit due to their financial inability to pay an upfront contribution for these courses. For example, Bangarra Dance Theatre is an Aboriginal and Torres Strait Islander organisation that is also one of Australia's leading performing arts companies. Bangarra relies on the recruitment of highly-trained, talented and elite artists from a heavily disadvantaged section of the Australian population. For Aboriginal and Torres Strait Islander students, due to their socio-economic situation, training and study is only possible with financial support.

Live Performance Australia recommends that student loans for VET courses should be included within the overall FEE-HELP limit currently in existence under the FEE-HELP scheme. The Department should consider other avenues for ensuring education providers are charging appropriate course fees, without impeding equitable access to education for prospective students.

4. ADDITIONAL INFORMATION

LPA welcomes opportunities to facilitate direct connections between government, employers and education providers to improve the synergy between VET training and employment in the industry.

The Department should adopt an evidence-based methodology for determining an eligible course list for student loans.

- Maintaining regular and direct consultation with industry will ensure that eligible courses are identified that have industry relevance and maximise employment outcomes. LPA maintains membership on the Industry Reference Committee (IRC) for Culture and Related Industries, managed by the Skills Service Organisation (SSO) *PwC's Skills for Australia*. The Department should consider seeking regular feedback from the IRC on the eligible course list. This would provide a means for direct and consistent industry feedback on the accuracy of courses deemed relevant and important to the live performance industry.
- There are several SSOs that conduct valuable research on industry skill needs and how these can be met by VET level training. LPA recommends that the Department consult with relevant SSOs, including *PwC's Skills for Australia*, on developing an appropriate evidence-based methodology that meets the unique needs of each industry, both now and into the future. Additionally, the *Quality Indicators for Learning and Teaching (QILT)* program which reports on survey data from students and graduates may provide useful measures on student experience and employment outcomes.