

THE AUSTRALIAN

College dreams hit by red-tape assault

JOHN ROSS THE AUSTRALIAN JULY 30, 2014 12:00AM

THE federal government's anti-red tape agenda has left would-be colleges in limbo, forced to put their plans on hold as they wait on new regulatory arrangements.

Training consultant Lauren Hollows said people hoping to establish colleges had been caught out by the plan to introduce simplified provider standards from the start of next year.

The office of Industry Minister Ian Macfarlane says the changes will make colleges' requirements "more explicit" and are a response to training sector feedback that greater clarity is needed. But Ms Hollows said the overhaul had left people who wanted to set up new colleges in a nebulous position.

She said they now faced a choice between withdrawing applications, or gambling that the current standards would still apply when their applications were considered. "Starting up an RTO (registered training organisation) already costs tens of thousands, with many smaller providers investing life savings and taking out second mortgages," she said. "(Now) hopeful providers are left with the possibility of being knocked back if their applications aren't processed prior to 2015."

She said registrations took between seven and nine months to process. And the new standards might not be known for months, with drafts undergoing industry review and requiring approval by the minister and parliament.

Mr Macfarlane's office said it had consulted comprehensively on the revised standards. "The government has been transparent during every step of this process and will continue to engage ... to ensure appropriate time is given for providers to prepare," it said in a statement.

But Ms Hollows said the problem could be resolved with grandfathering arrangements. "It's great that the government is actively seeking feedback. (But) the challenge now is to start acknowledging the concerns (of) providers."

Ms Hollows's company, RTO Doctor, advises existing colleges and helps new ones get started. Client Phil Hodgskiss said the government's reforms had forced his company to "press pause" on plans to become a fully fledged RTO offering first-aid courses.

"We were in the initial stages of recruiting new staff, website redevelopment (and) advertising in the local area," he said. "A lot of work that we've had to put in has now been put on the shelf."

Mr Hodgskiss said his company had started taking steps towards registration about three months ago, but would now hold off for about a year and "see where the dust settles". He said registration would have cost about \$50,000.

"The risk that we could end up at square one at the other end, and have to go through the whole lot again, was just far too high. We're not a large business and all the money we put

into it is either my own, my business partner's or money we borrowed off family.”

The impasse has been sparked by the government's efforts to tidy up a vocational education sector it regards as a “bureaucratic nightmare”. Releasing the draft standards last month, Mr Macfarlane said reducing costs for business was “a key theme of the entire reform agenda”.

“We are reforming the way the VET system is regulated to cut red tape,” he said. “The standards against which training providers are judged should make it clear what is expected of them.”

Mr Hodgskiss said the deregulatory pain would be worth it so long as it led to stability. “If it has to be hard for the next 12 months for 10 years of good practice across the sector, that's fine with us,” he said. “We would just like a little more indication about what's going to happen.”

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