



Australian Government

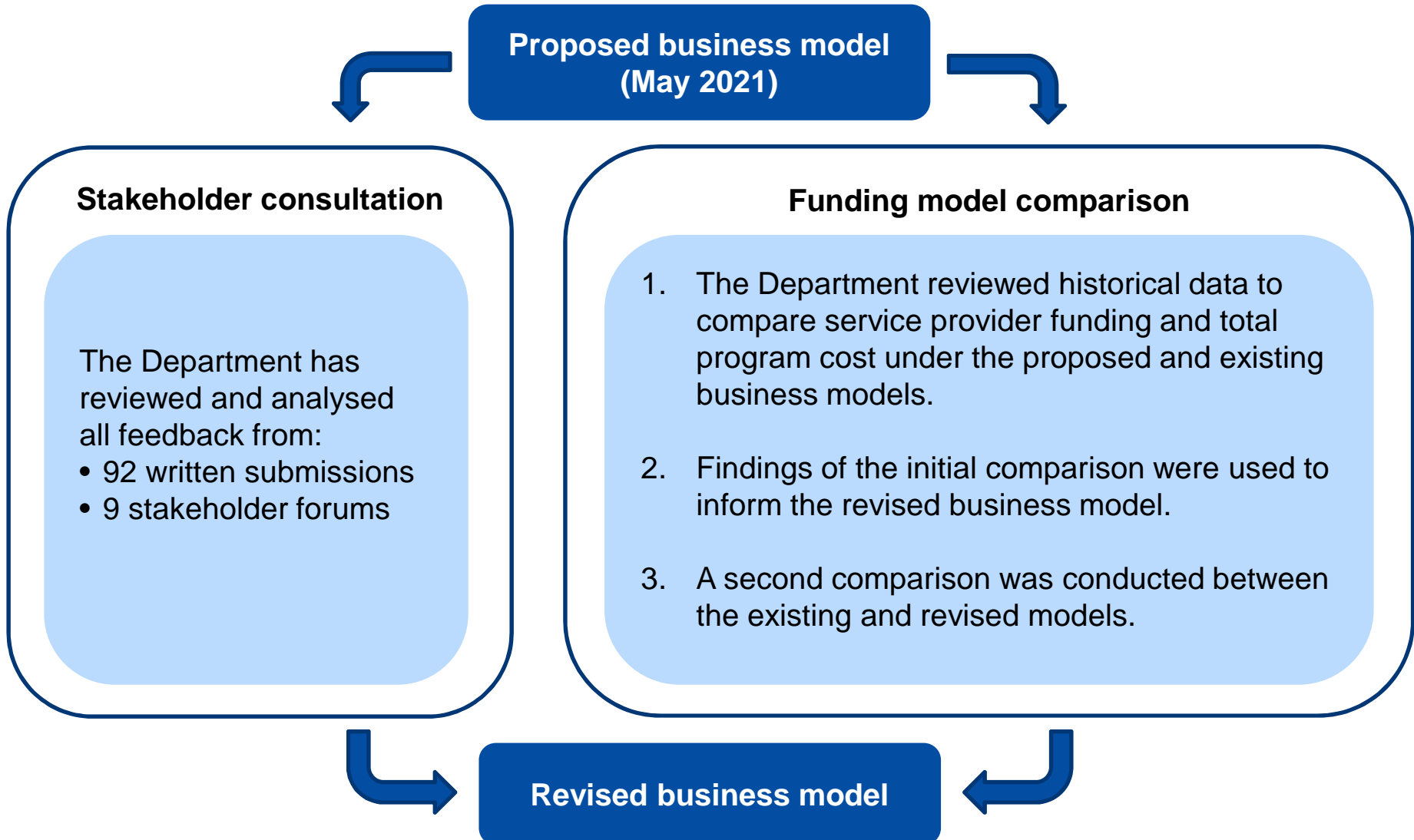
Department of Home Affairs

Reform of the Adult Migrant English Program

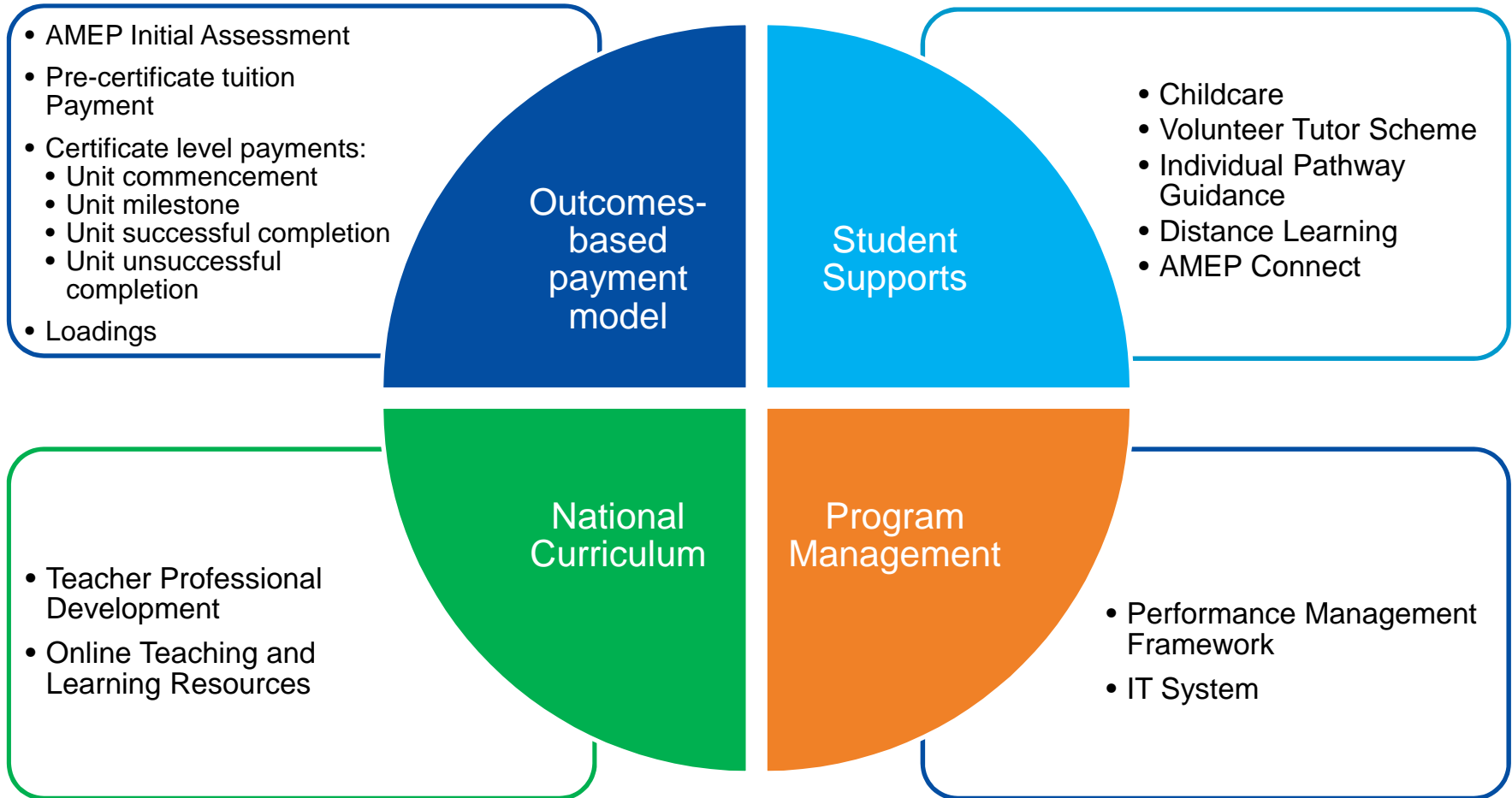
Revised business model

December 2021

Revisions to the future model



Revised business model



Hybrid model

Under the revised business model, payments for student outcomes would differ for students at either:

1. Pre-certificate level: the EAL Framework courses (*Course in Initial EAL* and *Course in EAL*)
2. Certificate level: EAL Framework Certificates I, II and III (Access)

Core payments and loadings

Payment type	Payment	Description	Details
Admin payment	AMEP Initial Assessment payment	Eligible student completes initial registration and assessment	A student completes the initial assessment and is eligible for the AMEP program
Tuition payments	Pre-certificate tuition payment	Hourly payment for blocks of 10 hours of tuition	A pre-certificate level student completes 10 hours of tuition across all units
Certificate level payments	Unit commencement payment	10% of the unit price	Student commences a certificate-level unit
	Unit milestone payment	40% of the unit price	Student completes 50% of the nominal hours of a certificate-level unit
	Unit unsuccessful completion payment	30% of the unit price	Student completes a certificate-level unit unsuccessfully
	Unit successful completion payment	50% of the unit price	Student completes a certificate-level unit successfully
Loadings	CALD, LLN, Disability, Regional and Remote	An additional percentage of tuition and certificate level payments	Multiple loadings can be applied if applicable to a particular student

Initial assessment payment

Proposed model (May 2021)

A one-off payment when a student completes their registration, initial assessment and are enrolled in their first unit of competency.

Stakeholder feedback on the proposed model

The proportion of funding for initial assessment may not be sufficient, considering the majority of payments would be administered after training had been delivered.




Revised model

Introduction of a unit commencement payment (in addition to the initial assessment payment) will support service provider cash flow with increased service provider payments at the point of commencement in units of competency.

Pre-certificate tuition payment

Proposed model (May 2021)

Not included in the initial model, which proposed a funding model based on completion of units of competency and certificates.



Stakeholder feedback on the proposed model

Participation and engagement in the AMEP should be the focus for students with very low levels of English language proficiency, literacy and/or experience of formal education.

Stakeholder noted that these learners can take time to establish appropriate learning strategies.

A focus on unit completion for these students may negatively impact service provider viability and cash flow.

Revised model

Payments to service providers to be made for every 10 hours of a pre-certificate student's attendance in an AMEP class.

The payments aim to incentivise participation and retention in the AMEP.

Certificate level payments

Proposed model (May 2021)

The proposed model included payments for service providers when students:

- a) complete certificates;
- b) complete units of competency; and
- c) withdraw from units of competency.

Stakeholder feedback on the proposed model

Concerns were raised that a significant portion of payments would be administered after language training had been delivered.

Stakeholders noted it can take a significant amount of time for students to complete certificates, and that some students view settlement goals as more important than certificate completions.

Revised model

Payments for completion of certificates has been removed from the revised model.

The revised model proposes to provide the unit of competency payment in several portions.

Payment type	Payment	Description	Details
Certificate level payments	Unit commencement	10% of the unit price	Student commences a unit
	Unit milestone	40% of the unit price	Student completes 50% of the nominal hours of a unit
	Unit unsuccessful completion	30% of the unit price	Student completes a unit unsuccessfully
	Unit successful completion	50% of the unit price	Student completes a unit successfully

Loadings

Proposed model (May 2021)

Loadings were initially only applied for students studying in regional and remote areas.

Cohort adjustments were proposed for students with less than 10 years of schooling and applied to payments for completion of certificates.

Stakeholder feedback on the proposed model

Stakeholders welcomed the inclusion of loadings to support certain cohorts.

Some stakeholders noted that loadings should be applied to a wider range of student cohorts, and not only students with lower levels of prior education.

Revised model

Loadings to be applied in a manner based on the future National Skills Commission efficient pricing. While the National Skills Commission is still developing loading categories, the Department is considering the following loadings for AMEP students:

Loading	Details
Cultural and Linguistically Diverse learners	Applied to all AMEP students in the base rate
Disability	Student is eligible for a disability loading
Remote or regional location	Provider delivers in a remote or regional location
Learners with high language, literacy and numeracy needs	Applied to certificate level students with less than 10 years of schooling, and all pre-certificate students

Distance Learning

Proposed model (May 2021)

The Department expected a reduction in the use of Distance Learning with the introduction of more options for flexible delivery of tuition.

Stakeholder feedback on the proposed model

Many stakeholders expressed a preference for allowing each service provider to deliver Distance Learning, rather than having a single Distance Learning provider.



Revised model

The Department is considering the inclusion of the requirement to deliver Distance Learning in each contract delivery region.

Student supports

Payment type	Payment	Description	Details
Student supports	Individual pathway guidance	Individual pathway guidance provided	Payment per hour of individual pathway guidance provided
	Volunteer Tutor Scheme (VTS)	Payment for volunteer tutoring	Students are matched with a volunteer tutor and tutors are recruited, trained and provided ongoing support and professional development.
	AMEP Connect	Payment to support students in community or work based learning environments	Providers facilitate community and work based learning environments, including work experience placements.
	Childcare	Payment per student receiving childcare through AMEP	Under school aged children receive childcare while parent/legal guardian attends AMEP classes

Individual Pathway Guidance

Proposed model (May 2021)

Payment is made for up to six hours of individual pathway guidance per student.

Stakeholder feedback on the proposed model

Stakeholders noted the importance for Pathway Guidance Officers to be appropriately qualified to provide the service.



Revised model

The Department has noted stakeholder feedback that Pathway Guidance Officers should be appropriately qualified to provide this service.

Volunteer Tutor Scheme

Proposed model (May 2021)

The proposed model included just have one payment for the recruitment, training and matching of volunteer tutors.

Stakeholder feedback on the proposed model

Stakeholders suggested that a match fee should be provided in addition to payments for recruitment and training of volunteers.



Revised model

The revised model includes two fees for the Volunteer Tutor Scheme:

1. An annual administration fee (to cover recruitment, initial training, ongoing professional development and volunteer support)
2. A match fee (one match per student).

AMEP Connect

Proposed model (May 2021)

A sub-program to provide additional pathways into the AMEP from the community, and from the AMEP into local employment. This funding would sit outside of the outcomes based funding model.

The fund has two streams - the community-based learning stream and the work-based learning stream.

Stakeholder feedback on the proposed model

Stakeholders noted that the proposed funding arrangement may be administratively burdensome.

Community and work based classes should be taught by qualified teachers using an approved curriculum.



Revised model

The Department is considering ways to streamline the allocation of this funding.

AMEP Connect funding is intended to cover the costs associated with establishing collaborations with community organisations and work places.

Tuition within AMEP Connect will be funded through standard tuition payments (i.e. pre-certificate tuition payments or certificate level payments).

AMEP Connect teachers will be subject to the same qualification requirements as teachers providing standard tuition.

Childcare

Proposed model (May 2021)

Two options were proposed in the discussion paper:

1. Providers tender for a childcare fee and get a set budget
2. Providers tender for a childcare fee and prioritise certain visa cohorts

Stakeholder feedback on the proposed model

Neither option received significant support from stakeholders.

Stakeholders viewed funded childcare as an important part of the AMEP that reduces barriers to attendance and participation.

Crèches are cost effective but are not able to be provided in all states and at all sites.



Revised model

The Department is considering covering service provider costs for childcare with the introduction of half- and full-day rates so that childcare can remain available for all students in the AMEP.

National Curriculum

Proposed model (May 2021)

The use of one curriculum to be reintroduced in the future AMEP business model. The EAL Framework was selected as the national curriculum.

Stakeholder feedback on the proposed model

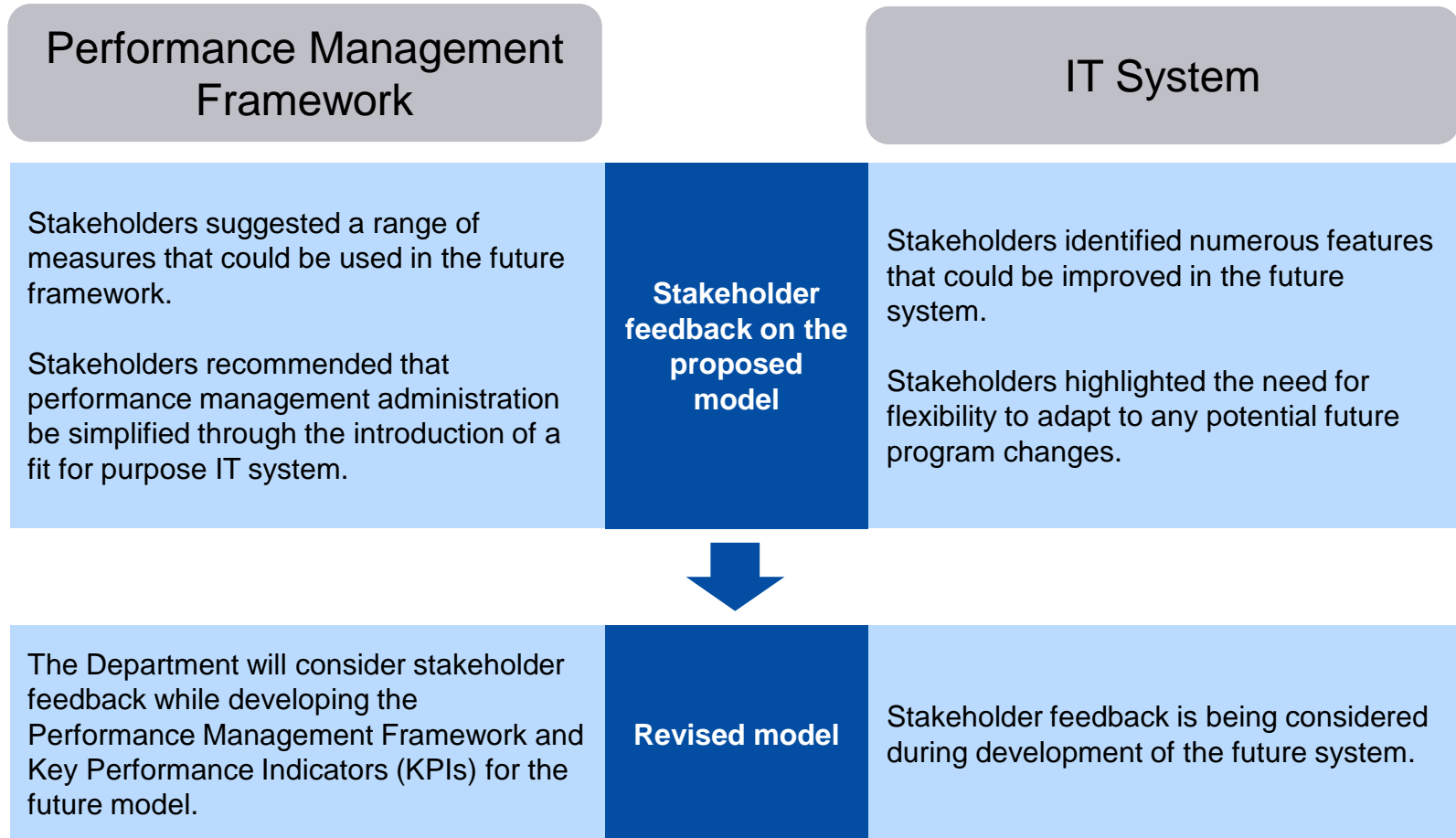
Concerns that the EAL Framework is due to be reaccredited six months following the introduction of the future AMEP business model.



Revised model

In addition to RTO transition activities, the Department is considering further opportunities to support providers with this transition.

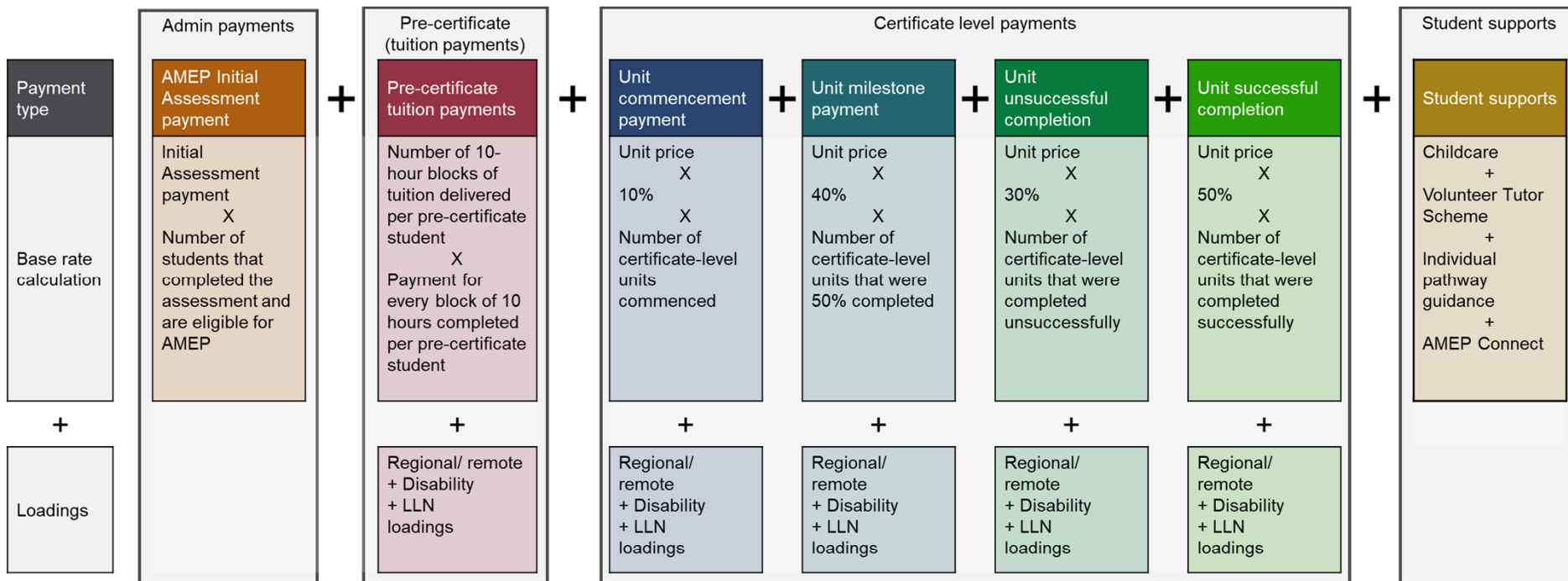
Program Management



Funding model comparison

- The Department reviewed historical data to compare service provider funding and total program cost under the existing and future business models.
- The Department compared the existing model to both:
 - the proposed model; and
 - the revised model.
- This analysis was conducted with a range of data sources, including the AMEP Reporting and Management System (ARMS), financial and unit completion data.

Service provider payments (Revised model)



Calculation of loadings: 'Base rate X Loading % X % of student activity the loading applies to'

Unit commencement payment example: If the provider is in a regional area:

(Base rate X Regional loading % X 100% of providers unit commencements)

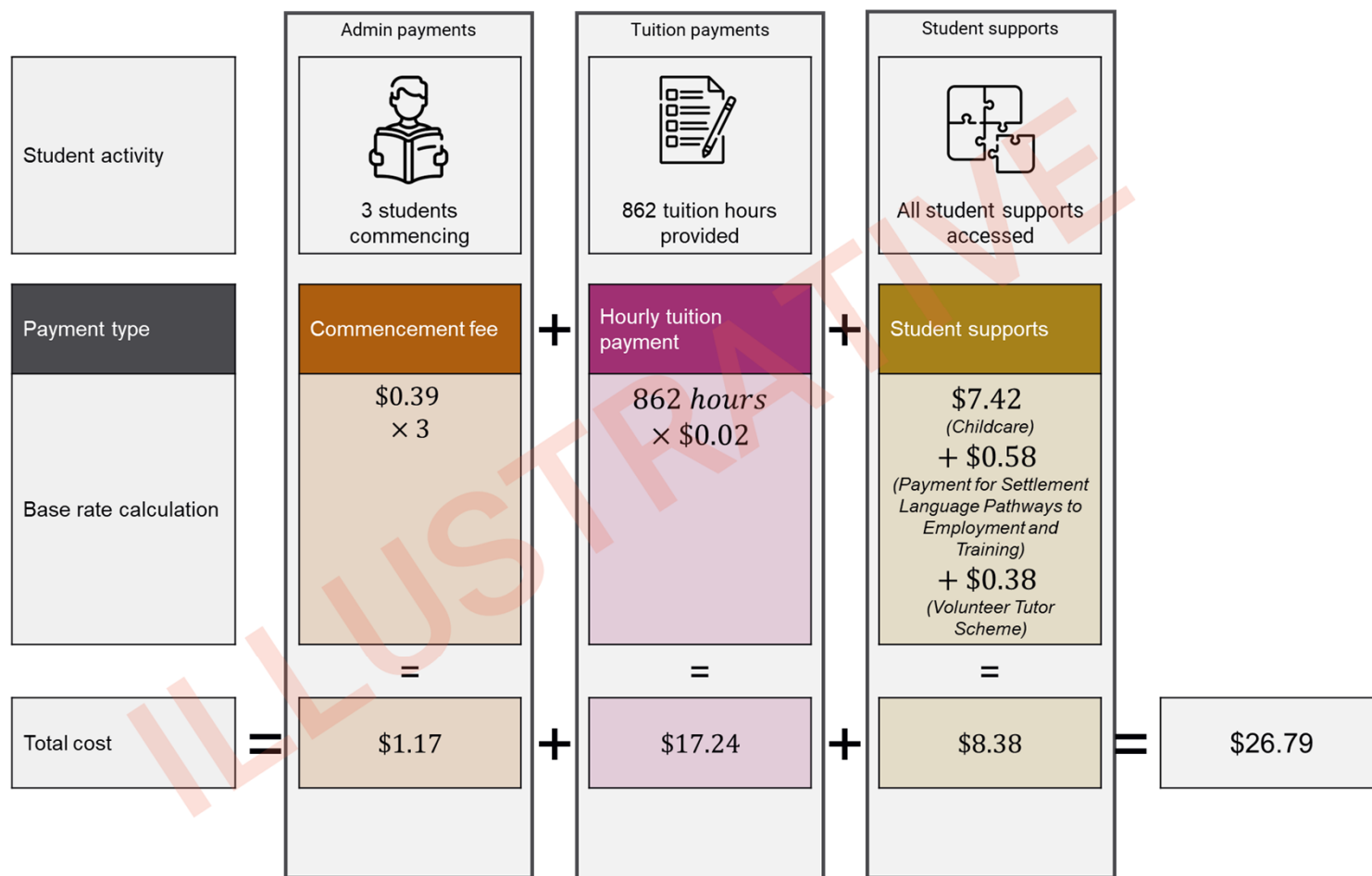
+ (Base rate X LLN loading % X % unit commencements from LLN students)

+ (Base rate X Disability loading % X % unit commencements from students with a disability)

Illustrative example – 5 students

Student	Level of study	Admin	Tuition	Certificate level events				Loadings	Student Supports
		Initial Assessment with AMEP	Hours	Unit commence-ments	Unit milestones	Unit unsuccessful completions	Unit successful completions	All relevant loadings	All student supports accessed
Student A	Pre-certificate	X	63	N/A	N/A	N/A	N/A	<ul style="list-style-type: none"> Regional LLN 	<ul style="list-style-type: none"> Volunteer Tutor Scheme
Student B	Pre-certificate	✓	145	N/A	N/A	N/A	N/A	<ul style="list-style-type: none"> Regional LLN 	<ul style="list-style-type: none"> Pathway guidance
Student C	Certificate	✓	224	3	3	2	1	<ul style="list-style-type: none"> Regional 	<ul style="list-style-type: none"> Pathway guidance
Student D	Certificate	X	280	4	3	1	2	<ul style="list-style-type: none"> Regional Disability 	<ul style="list-style-type: none"> AMEP Connect
Student E	Certificate	✓	150	2	2	1	1	<ul style="list-style-type: none"> Regional LLN 	<ul style="list-style-type: none"> Pathway guidance Received childcare
Total contributing items to provider payments		3	862	9	8	4	4		

Illustrative example: 5 students (existing model)



This figure does not include the pricing of any payments. Instead, figures are illustrative to show how payments work within the funding model. Further information will be included in the Request for Tender (RFT) for future contracts.

Illustrative example: 5 students (revised model)

Provider activity	Admin payments	Pre-certificate (tuition payments)	Certificate level payments				Student supports
	3 students commencing	208 pre-certificate tuition hours	9 units commenced	8 unit milestones	4 unit unsuccessful completions	4 unit successful completions	All student supports accessed
Payment type	AMEP Initial Assessment payment	Pre-certificate tuition payments	Unit Commencement payment	Unit milestones payment	Unit unsuccessful completion	Unit successful completion	Student supports
Base rate calculation	\$0.39 × 3	20 10-hour blocks × \$0.20	\$1.25 × 10% × 9	\$1.25 × 40% × 8	\$1.25 × 30% × 4	\$1.25 × 50% × 4	\$7.42 (Childcare) + \$0.58 (AMEP Connect) + \$0.38 (Volunteer Tutor Scheme) + \$0.38 (Individual pathway guidance)
Loadings		\$0.53 (20 regional) \$0.80 (20 LLN)	\$0.15 (9 regional) \$0.10 (4 disability) \$0.05 (2 LLN)	\$0.53 (8 regional) \$0.30 (3 disability) \$0.20 (2 LLN)	\$0.20 (4 regional) \$0.08 (1 disability) \$0.08 (1 LLN)	\$0.33 (4 regional) \$0.25 (2 disability) \$0.13 (1 LLN)	
Total cost	= \$1.17	= \$5.33	= \$1.43	= \$5.03	= \$1.86	= \$3.21	= \$8.76
		+		+	+	+	= \$26.79

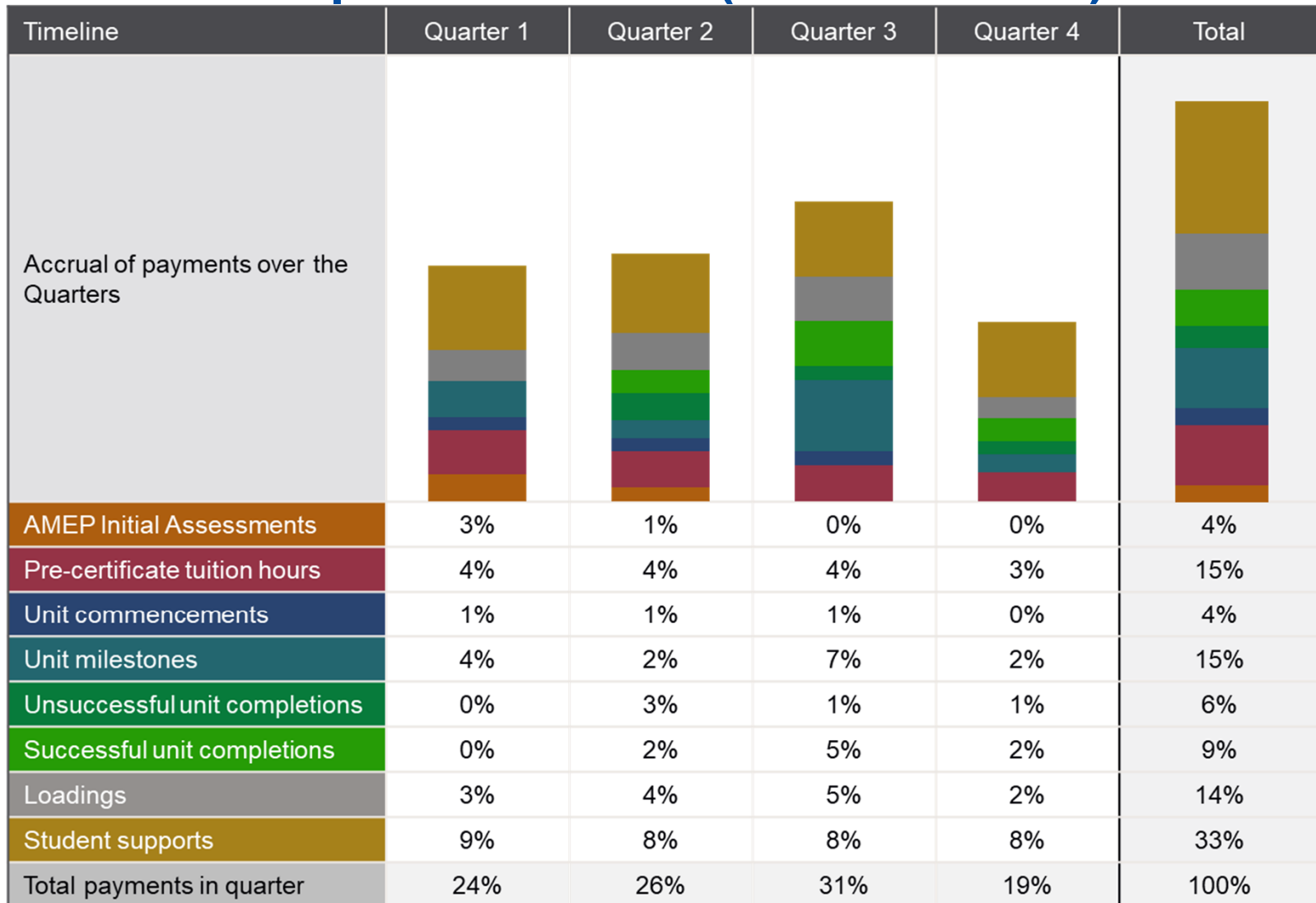
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Unit commencement loadings example: For the 2 LLN students that commenced a unit in a regional area:

$$(\text{Base unit commencement rate} \times \text{LNN loading \%} \times 2) + (\text{Base unit commencement rate} \times \text{Regional loading \%} \times 2)$$

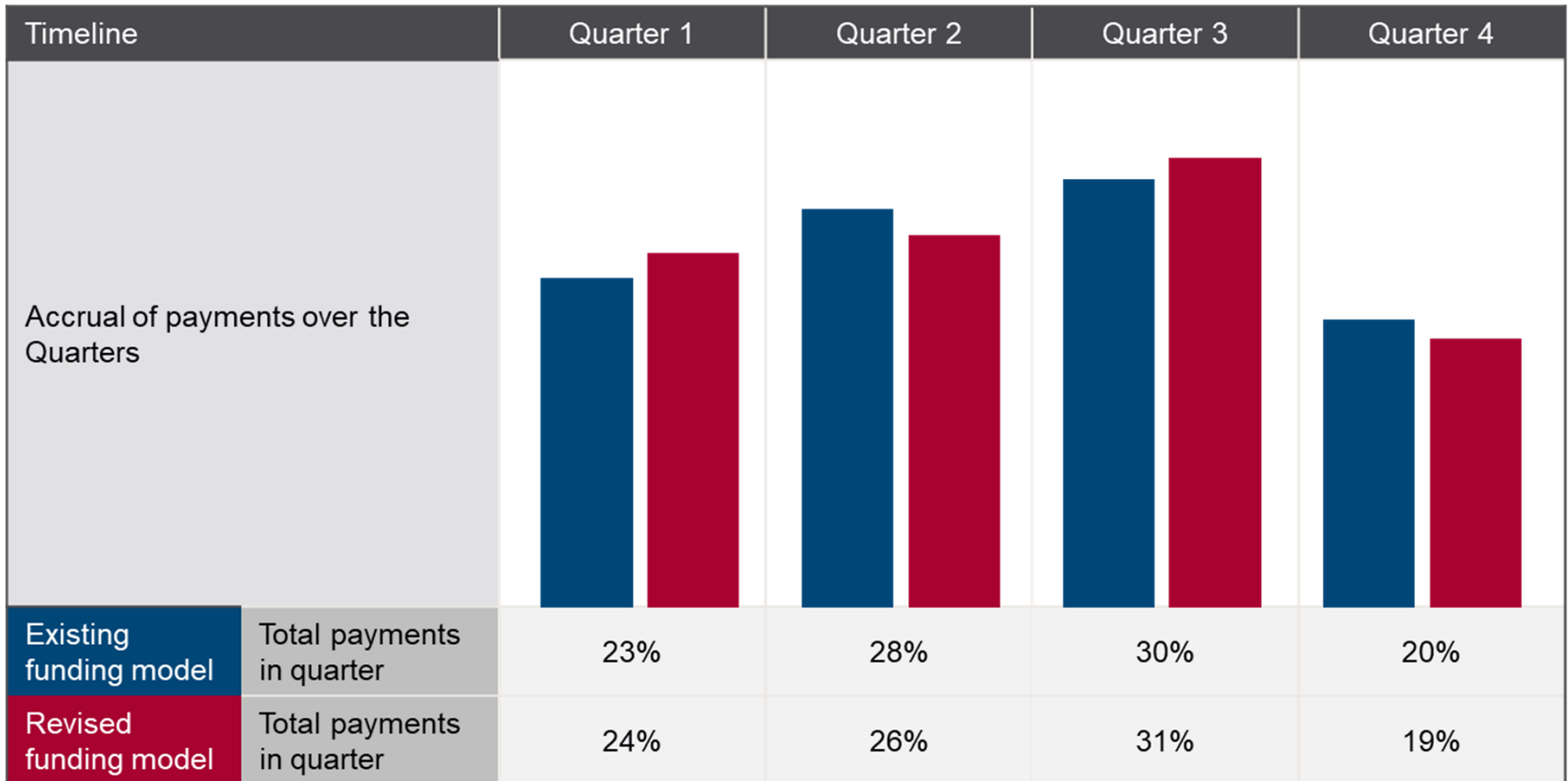
Note: The CALD loading is calculated within the unit pricing (\$1.25 in the above example)

Illustrative example: 5 students (revised model)



Note: Percentage values are rounded to the nearest whole figure.

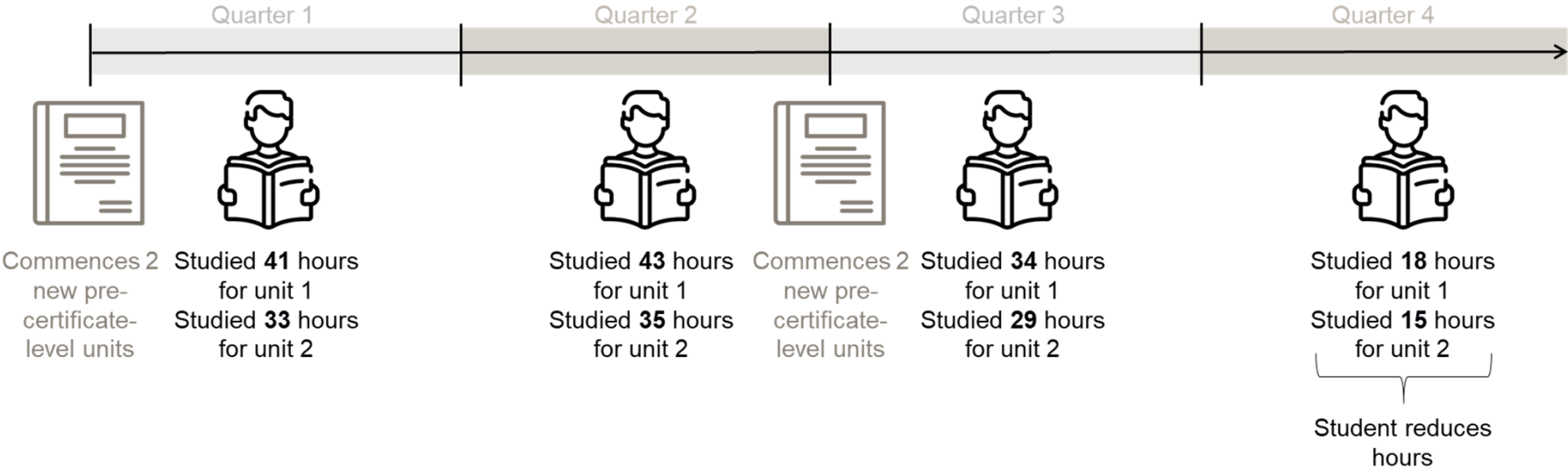
Illustrative example: 5 students (revised model)



Note: Percentage values are rounded to the nearest whole figure.

Student scenario 2: Student studying at a pre-certificate level


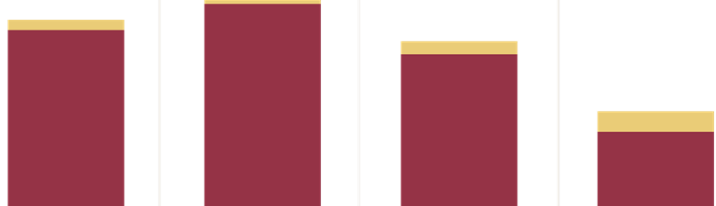
Student snapshot



*Combination of 2 real students in 2019. Assumed to be studying 2 subjects with an estimation of the distribution of hours across each

Student scenario 2: Student studying at a pre-certificate level

Student-level funding comparison

Timeline		Quarter 1	Quarter 2	Quarter 3	Quarter 4
Student activity	Unit 1 hours	41	43	34	18
	Unit 2 hours	33	35	29	15
	Total hours	74	78	63	33
	Cumulative hours	74	152	215	248
Existing funding model	Breakdown of payments over the period				
	Hours paid for in that quarter	74	78	63	33
	Cumulative hours paid for in previous quarters	74	152	215	248
Revised funding model	Breakdown of payments over the period				
	Hours carried from the previous quarter	0	4	2	5
	Hours paid for in that quarter	70	80	60	30
	Cumulative hours paid for in previous quarters	70	150	210	240
	Hours completed that are yet to be paid (< 10 hours)	4	2	5	8

Provider scenario 1: Small AMEP provider in regional location

Provider snapshot



Provider based
in a regional
location



Small AMEP
provider



304 total
students over the
year



188 new student
enrolments in
one year



339 new
certificate-level
unit
commencements
in one year

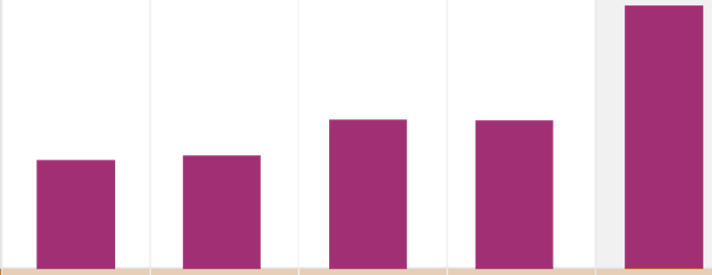
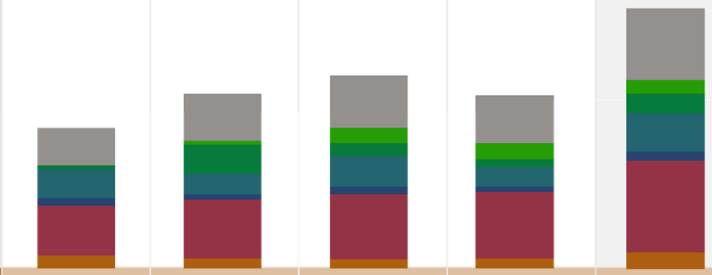


33,335 pre-
certificate tuition
hours and
59,982 total
tuition hours
provided

*Some provider activity has been estimated.

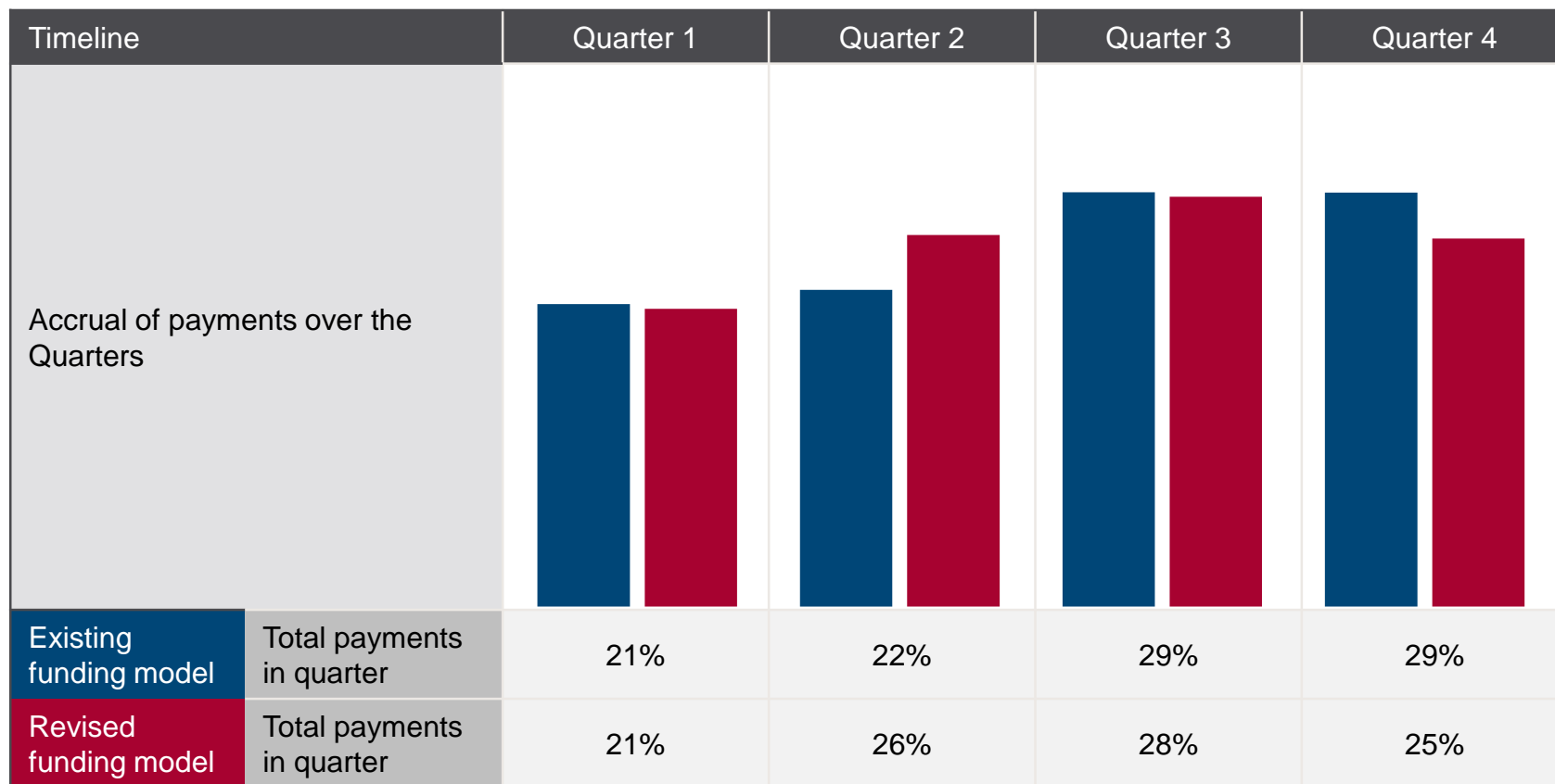
Provider scenario 1: Small AMEP provider in regional location

Provider funding comparison

Timeline		Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Provider activity	Total tuition hours	12,504	13,120	17,191	17,167	59,982
	AMEP Initial Assessment	59	43	40	46	188
	Pre-certificate tuition hours	6,865	8,211	9,093	9,166	33,335
	New unit commencements	101	73	104	61	339
	Unit milestones	90	80	107	62	339
	Unsuccessful unit completions	14	124	55	32	225
	Successful unit completions	-	16	47	45	108
Existing funding model	Breakdown of payments over the Quarter					
	AMEP commencement fee	<1%	<1%	<1%	<1%	<1%
	Hourly tuition payments	21%	22%	29%	28%	100%
	Total payments in quarter	21%	22%	29%	29%	100%
Revised funding model	Breakdown of payments over the Quarter					
	AMEP Initial Assessment	2%	1%	1%	2%	6%
	Pre-certificate tuition hours	7%	9%	10%	10%	35%
	New unit commencements	1%	<1%	1%	<1%	4%
	Unit milestones	4%	3%	4%	3%	15%
	Unsuccessful unit completions	<1%	4%	2%	1%	8%
	Successful unit completions	0%	<1%	2%	2%	5%
	Loadings	5%	7%	8%	7%	27%
	Total payments in quarter	21%	26%	28%	25%	100%

Provider scenario 1: Small AMEP provider in regional location

Funding timing comparison



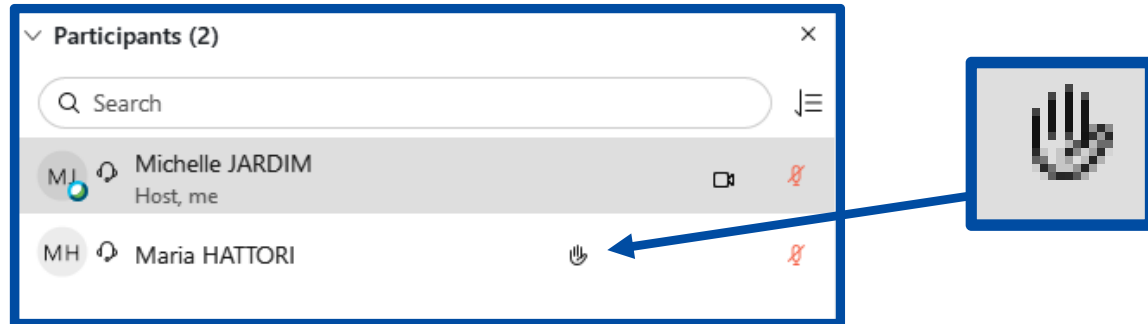
Note: Percentage values are rounded to the nearest whole figure.

Next steps

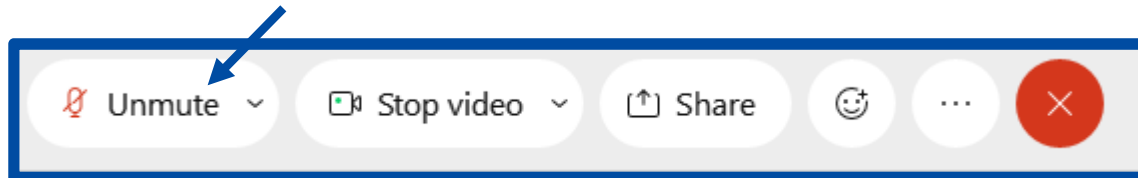
- The Request for Tender (RFT) for future AMEP contracts under the revised business model is expected to be released in the fourth quarter of the 2021/22 financial year.

How to engage with WebEx

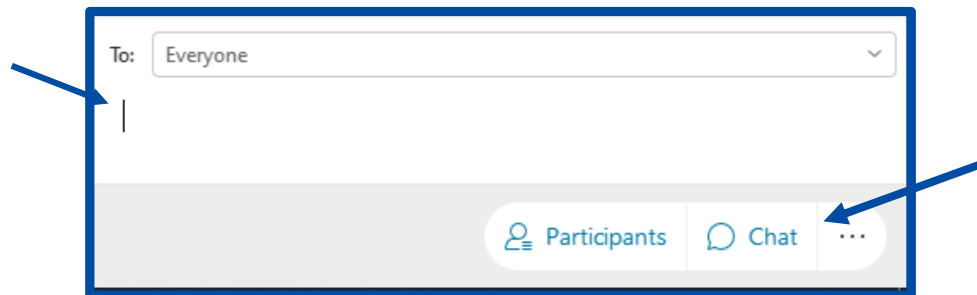
To 'raise your hand':



To unmute:



To type:



Forum Discussion