

RECOMMENDATIONS

Recommendation 1

2.109 The committee recommends that, given the evidence of rampant abuse, accelerating costs, and doubling of bad debt the government launches an immediate review into the operation and regulation of VET FEE-HELP.

Recommendation 2

2.110 The Committee recommends that this review considers the most effective way to control costs of courses for students under VET FEE-HELP by either instituting a lower and separate loan limit or a cap on student loan amounts.

Recommendation 3

2.111 The Committee further recommends that this review considers the most effective way to limit provider access to VET FEE-HELP so that only providers with the highest reputation for quality have unfettered access to the scheme. The Committee recommends that the government mandates minimum entry standards of year 12 completion or equivalent for access to VET FEE-HELP loans for Diploma level courses and above.

Recommendation 4

2.112 The Committee opposes suggestions to lower the repayment threshold to \$30,000 or \$40,000. Asking lower income earners to pay for the failure of government to properly regulate the operations of VET FEE-HELP – and for the rampant and unethical misbehaviour of some private providers – fails both the practical and ethical test.

Recommendation 5

3.82 The committee recommends that urgent and concerted efforts are made to further raise awareness of the rights of students and existing Standards relating to providers in the VET sector. This effort should focus on advocacy groups dealing with the most vulnerable members of the community, including the long-term unemployed or disadvantaged, migrants and people with disabilities.

Recommendation 6

3.83 The committee recommends that the Department of Education and Training and the Australian Skills Quality Authority conduct a concerted and urgent blitz of all providers to ensure that they are consistently complying with the national standards, especially those relating to student recruitment. This blitz should be aimed at defending the interests of students, enforcing adherence to

AQF volume of learning standards and removing non-compliant RTOs as VET FEE-HELP providers.

Recommendation 7

3.84 The committee recommends that the government, where there is evidence to do so, provides a brief to the DPP to launch prosecutions against providers engaged or benefiting from fraud and take steps to recover monies lost.

Recommendation 8

3.85 The committee recommends that the Australian Skills Quality Authority be given powers to directly regulate brokers or marketing agents in the VET sector, and to protect students.

Recommendation 9

3.86 The committee recommends that the government caps or otherwise regulates the level of brokerage fees paid for VET FEE-HELP students to maximum amount of 15 percent the amount of the loan.

Recommendation 10

4.86 The committee recommends that the government apply, in consultation with industry and quality providers, minimum hours standards to VET FEE-HELP eligible courses.

Recommendation 11

4.87 The committee recommends that the Australian Skills Quality Authority be given the powers to take swift and strong action against Registered Training Organisations found to be providing inadequate training to their students.

Recommendation 12

4.88 The committee recommends that the Department of Education and Training should have to approve any instances of Registered Training Organisations subcontracting out components of their VET FEE-HELP eligible training to non-registered third parties.

Recommendation 13

4.89 The committee recommends that the Australian Skills Quality Authority maintains its close scrutiny on and gives priority to the Early Childhood and Aged Care training sectors, given the concerns noted in this report.

Recommendation 14

5.78 The committee recommends that the underpinning legislation for the Australian Skills Quality Authority be revamped in order to give the regulator sufficient powers to adequately regulate the Vocational Education and Training sector, to protect the rights of students and to act more firmly and quickly to stamp out abuses.

Recommendation 15

5.80 The committee further recommends that the Australian Skills Quality Authority improves its processes to enable it to more swiftly share information with other levels of government, regulators, government departments and law enforcement agencies.

Recommendation 16

5.81 The committee recommends that an Ombudsman focused on domestic students in the VET sector be created, and further suggests that this position be industry-funded.

