

Senate Committee: Education and Employment

**QUESTION ON NOTICE
Supplementary Budget Estimates 2016 - 2017**

Outcome: Skills and Training

Department of Education and Training Question No. SQ16-001142

Senator Cameron, Doug asked on 20 October 2016, Hansard page 123

VET FEE-HELP (quality outcomes)

Question

Senator CAMERON: So, Dr Banerjee, similar to what I have asked earlier about the loan caps, could you provide me with the details of the methodology that you used to ensure that these did not affect quality. You can take it on notice, if you like.

Dr Banerjee: Yes, we will. The previous question went to a specific methodology for getting into some numbers—which is a methodology.

Senator CAMERON: That is right.

Dr Banerjee: This one is more of a broader analysis, as the minister went through, of how prices have gone in the system or what the observed behaviour has been, particularly over the last couple of years; and an assurance that the reasonable cost of provision that was used in setting the loan caps was at a sufficiently high level that quality will be protected. That is more of an assessment than a methodology, but I am happy to take the question on notice.

.....

Senator CAMERON: Please provide that methodology as well as the analysis that you have done determining the quality outcomes.

Dr Banerjee: We will take that on notice.

Answer

- The VET Student Loan caps were derived based on a combined analysis of the 2015 qualification prices set under the NSW Smart and Skilled program and average VET FEE-HELP tuition data from 2010 to 2013 before the fees dramatically increased. The combined analysis showed that on average, tuition fees ranged from \$3000 to \$16,000. As such, the quality of training should not be compromised by the course loan caps as they are broadly aligned to average costs.
- The quality of the training delivered by providers offering VET Student Loans will increase as the bar to entry as an approved provider will be higher. It will include a stronger focus on past performance and student outcomes and include enhanced compliance.