

Senate Committee: Education and Employment

QUESTION ON NOTICE

Supplementary Budget Estimates 2016 - 2017

Outcome: Skills and Training

Department of Education and Training Question No. SQ16-001180

Senator Dodson, Patrick provided in writing

Proposed VET Student Loans Scheme

Question

Can the Department outline the effect the proposed VET Student Loans Scheme will have on:

- a) Diploma of Primary Health Care in Aboriginal and Torres Strait Islander Health
- b) Diploma of Primary Health Care Practice in Aboriginal and Torres Strait Islander Health
- c) Diploma of Nursing
- d) How will these changes work towards reaching workforce parity with the growing Aboriginal and Torres Strait Islander population?
- e) Has the department consulted with the Aboriginal and Torres Strait Islander Health workforce sector?
- f) Has the department made any considerations about amending the proposed \$10,000 cap for Aboriginal and Torres Strait Islander students?
- g) Is the department aware of the increase in out of pocket expenses?
- h) Does the department anticipate that this will negatively impact on the enrolments of Aboriginal and Torres Strait islander students in these diplomas?

Answer

- a) Diploma of Primary Health Care in Aboriginal and Torres Strait Islander Health is eligible for VET Student Loans and has a loan cap of \$10,000.
- b) Diploma of Primary Health Care Practice in Aboriginal and Torres Strait Islander Health is eligible for VET Student Loans and has a loan cap of \$10,000.
- c) Diploma of Nursing is eligible for VET Student Loans and has a loan cap of \$15,000.
- d) Eligibility for VET Student Loans will allow students to access income contingent loans for these courses which will ensure cost is not a barrier to access. The Australian Government will continue to back a variety of Diplomas, Advanced Diplomas, Bachelor and post-graduate courses with funding and taxpayer-supported student loans.
- e) The Government has undertaken extensive consultation as part of the VET FEE-HELP redesign, of which VET Student Loans was the outcome. This included face to face consultations with providers and peak bodies, hosted by the former Minister for Vocational Education and Skills, Senator the Hon Scott Ryan, the release of the Discussion Paper to facilitate a public submissions process, and discussions with state and territory government counterparts. Targeted consultations were not specifically held with the Aboriginal and Torres Strait Islander Health workforce sector; however the public submissions process was open to all stakeholders. The discussion paper was released on 29 April 2016 and submissions closed on 30 June 2016. This provided stakeholders eight weeks to provide a submission in response to the issues canvassed in the discussion paper, or more broadly about the future of the VET FEE-HELP scheme. Further consultation was undertaken from 10 October 2016 to 23 October 2016 following the release of the VET Student Loans eligible course list.

- f) The VET Student Loans caps will be available to all students equally. However, the Government will begin a review on the loan caps in February 2017.
- g) Loan caps are expected to apply downward pressure on fees, protecting both students from incurring large debts and the taxpayer. It should be noted that under VET FEE-HELP, Indigenous communities were particularly targeted by a number of unscrupulous brokers/providers. In general, targeted Indigenous students were enrolled in courses that had significantly increased fees. The Department of Education and Training, the Australian Skills Quality Authority (ASQA) and the Australian Competition and Consumer Commission (ACCC) are taking strong action against these providers and investigations are continuing against a number of others. While providers are free to charge above the loan caps, it would lead to out of pocket costs for students. In these circumstances, it is expected many would seek an alternative provider that charges fees that are within the allowable loan cap.
- h) Please refer to response provided to SQ16-001126 for the methodology regarding the VET Student Loan caps. Loan caps on eligible courses are aligned to the average cost of delivery and are therefore not expected to impact negatively on enrolments.