

Dear Secretary,

We are writing to provide feedback on the proposed VET Student Loans package, via the Senate Education & Employment Legislation Committee.

We are presently an approved VET Provider under Clause 6 of Schedule 1A to the Higher Education Support Act 2003 (HESA).

Our group has been in VET education for over 26-years. Our college, Estrada College, has been a Registered Training Provider for several years.

We are also a corporation acting as a trustee.

Estrada College is an approved VET FEE HELP provider since July 2014, trading all of that time as a body corporate acting as a trustee.

Our contribution, acting as a body corporate as a trustee, to the sector has been significant, delivering quality training with high student satisfaction rates.

The draft bill for the new VET Student Loan Provider in Clause 25 (2)(a) provides that for the new course provider requirements, the body must be a body corporate that is **not a trustee**.

Effectively, under the proposed new changes, Estrada College would unfairly be precluded from applying for approval as a VET Student Loan course provider.

This change does not allow for a transition period for those VET Providers who are lawfully operating as a trust.

However, if we were to change our structure now, we will also not be the same provider that was approved under subclause 6(1), decision under paragraph 11 (1)(a) which means we would no longer be approved to deliver out training to our remaining students whom have accessed VET FEE HELP loans.

Further, our Registration status, approved by ASQA, is attached to the trust.

It is not possible to change structure swiftly without an immediate and significant impact on our business that educates many students and supports many Australian families.

Presently, we have 72 staff employed in our Registered Training Organisation. And we are teaching over 8,500 VET FEE HELP students.

We believe 13 RTO's are affected by the legislation as it presently stands. These are generally small to mid-tier, quality RTO's, teaching around 30,000+ students and employing hundreds of staff.

It is relevant to note that under the Higher Education Support Act 2003, there is not an exclusion of body corporates as trustees from being given Higher Education provider approval.

If these changes are to pass, we anticipate that it would be necessary to make a large number of redundancies before the end of the year.

We support positive reform that focusses on quality training and employment outcomes. However, permitting body corporates as trustees is a measure that will have no negative impact on the scheme or the services offered to students, and standards maintained by our Registered Training Organisation.

We urge you to amend Clause 25 (2) (a) and in so doing support the work of a significant number of quality providers in the education and training sector.

Regards,

Simon Clarke
Managing Director
Estrada College