

**Senate Standing Committees on Education and Employment**

***Inquiry into the Education Services for Overseas Students Amendment  
(Quality and Integrity) Bill 2024 [Provisions]***

**QUESTION ON NOTICE**

**Date of hearing: 02 October 2024**

**Outcome: Skills and Training**

**Department of Employment and Workplace Relations Question No. IQ24-000050**

Senator Sarah Henderson on 02 October 2024, Proof Hansard page 66

***2 October 2024 | List of providers with allocation under review***

**Question**

Senator HENDERSON: What other providers' allocations are under review?

Ms Faithfull: That is the key one that has been raised with us by providers and by industry representatives. It is a sector and a training set of schools that are reliant on that international student cohort particularly in terms of supporting international flight carriers with their training here. It has unique aspects to it. We're very cognisant that there may well be other sectors that have similarly unique aspects, but there is a set of particular characteristics that really—

Senator HENDERSON: Okay. On notice, to both departments: can you provide a list of providers whose allocation is under review as a result of their representations, and can you provide the correspondence to the committee.

**Answer**

There are no provider allocations under formal review.

A number of providers have contacted the Department about the National Planning Level. Where this has been in relation to the allocation of new overseas student commencements (NOSCs) the Department has provided confirmation that the allocation is in alignment with the methodology or clarified the difference between the NOSC, enrolments or Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS) capacity limits.

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**Department of Employment and Workplace Relations Question No. IQ24-000051**

Senator Tony Sheldon on 02 October 2024, Proof Hansard page 64

***2 October 2024 | Additional Investments into VET - Comparison and Difference***

**Question**

CHAIR: Can you compare this against this question about what's happening in the VET system, as to the potential impact? What do we see going forward if the legislation is passed? And what is the environment for VET? Compared to the last budget of the previous government in March 2022, what have been the additional investments since then to 2025-26? Are you able to give us, again, some more examples of those investments and the difference?

Ms Faithfull: If I can, I will take on notice those exact numbers—

CHAIR: Yes, absolutely.

**Answer**

The National Skills Agreement ensures that funding will stay, on average, over \$1 billion higher per year than pre-COVID levels. Pre-COVID expenditure averaged \$3.5 billion between 2016-17 and 2019-20. From 2023-24 to 2027-28, expenditure will average \$4.9 billion.

Commonwealth VET funding in 2024-25 will be \$5.1 billion.

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#### **Department of Employment and Workplace Relations Question No. IQ24-000052**

Senator Tony Sheldon on 02 October 2024, Proof Hansard page 65

#### **2 October 2024 | National TAFE leadership network program and VET completions**

##### **Question**

CHAIR: You said, if I remember correctly, that there is a national TAFE leadership network program as well, and, as to the VET completions, improving that space—particularly for women and others who face completion challenges? And then maybe just talk to the importance of those policy areas as well.

Ms Faithfull: Within the National Skills Agreement, we have the focus on completions, with—sorry—

Ms Angus: Foundation skills.

Ms Faithfull: foundation skills and the focus on closing the gap. They all have dedicated funding amounts. I will take those on notice and bring them to you;

##### **Answer**

The Commonwealth is providing \$1.3 billion to implement agreed reforms within the National Skills Agreement. The following reforms are intended to be funded:

- \$325 million to establish nationally networked TAFE Centres of Excellence and strengthen collaboration between TAFEs, universities, and industry. This funding will require a matched contribution from states and territories.
- \$100 million to support, grow and retain a quality VET workforce. This funding will require a matched contribution from states and territories (the matched contribution will be \$70 million, with \$30 million tentatively allocated for national action).
- \$155 million to establish a National TAFE Network to foster collaboration among TAFE teachers and administrators and enhance teaching and learning. This funding will require a matched contribution from states and territories (the matched contribution will be \$148 million, with \$7 million tentatively allocated to support national coordination).
- \$214 million for Closing the Gap initiatives to be designed in partnership with First Nations peoples and led by them. This funding will require a matched contribution from states and territories (the matched contribution will be \$166 million as the Commonwealth will retain \$47 million).
- \$250 million to improve VET completions and student outcomes, including for women and others who face completion challenges. This funding will require a matched contribution from states and territories.
- \$142 million to improve foundation skills training capacity, quality, and accessibility. This funding will not require a matched contribution by states and territories.
- \$116 million to improve VET evidence and data. This funding will not require a matched contribution by states and territories.

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**Department of Employment and Workplace Relations Question No. IQ24-000055**

Senator Sarah Henderson on 02 October 2024, Proof Hansard page 69-70

***2 October 2024 | Alternative Methodology and Exceptional Circumstances for Student Caps***

**Question**

Senator HENDERSON: ... And to both agencies: are you considering adopting an alternative methodology in relation to student caps? How are you proposing to resolve these issues?

Ms Faithfull: Perhaps I'll answer first. The methodology is a decision for government, for the minister. We are engaging with each of the providers to ensure we've got clarity. To your point, the methodology is published on the website. We have been holding webinars, taking people through that.

Senator HENDERSON: I've got only a couple of minutes left.

Ms Faithfull: In the context of, for instance, aviation schools, we are focusing effort on that particular sector.

Senator HENDERSON: My question to both departments is: yes or no, are you looking to adopt or apply a different methodology in relation to certain providers?

Ms Faithfull: At this stage we're looking at where there are exceptional circumstances that lead to an exemption.

Senator HENDERSON: How do you define 'exceptional circumstances that lead to an exemption'?

Ms Faithfull: We've got principles that we are working through—for instance, where a sector relates to national significance—but that's a process we're putting together to brief government.

Senator HENDERSON: On notice—because I've got only a couple of moments left—could you please provide all relevant documents in relation to the exceptional circumstances test that you're applying?

**Answer**

The methodology underpinning indicative allocations is not changing.

The Department is engaging providers to ensure the application of the methodology is clear and understood.

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**Department of Employment and Workplace Relations Question No. IQ24-000056**

Senator Sarah Henderson provided in writing.

***2 October 2024 | Written | Reserve Pool - Definition and Methods to Allocate***

**Question**

What is the definition of “reserve pool” of allocated places as referenced at the 2 October public hearing and what is the method or process which governs the allocation of places to the reserve pool? Has the department proposed to include this definition in the bill or the relevant instrument?

**Answer**

The primary purpose of this pool at this time is to support new registered providers into the market.

The Department has not proposed to include the definition of a reserve pool in the bill or the relevant instrument.

Final arrangements for the allocation of NOSC limits are subject to the passage of the legislation.

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#### **Department of Employment and Workplace Relations Question No. IQ24-000057**

Senator Sarah Henderson provided in writing.

#### **2 October 2024 | Written | Supporting Evidence underpinning Fact Sheets**

#### **Question**

The department referred the committee to a fact sheet it published articulating the methodology used to determine indicative student placements at the provider level. The fact sheet, however, does not include the assumptions relied upon by the department in terms of how it devised this methodology in the first place. Can the department please document all assumptions and supporting evidence underpinning the development of the methodology, including, but not limited to:

- a. the setting of the base year/s;
- b. the distinction between public and private providers;
- c. the domestic-to-foreign student ratio; and
- d. the application of the percentage reduction.

#### **Answer**

- a. 2023 is the most recent full year of PRISM data on which to calculate the allocation of new overseas students' commencements in proportion to the individual provider's share of the market.
- b. TAFE and other public providers represent a low or negligible risk of integrity and quality issues in the context of international students.
- c. The domestic to international student ratio is as follows: a provider with 80 per cent international to 20 per cent or less domestic students is categorised as a specialist provider. A non-specialist provider has less than 80 per cent international students. The purpose of setting the threshold for international specialisation at 80 per cent is to encourage higher degree of diversification and greater integrity.
- d. The application of the percentage reduction is as follows:
  - o New overseas student commencement limits for private VET providers that had fewer than 80 per cent international student enrolments in 2023 will be equal to their 2023 new overseas student commencements minus 31 per cent. This reduction is based on a forecast of the total 2024 new overseas student commencements for this cohort.
  - o New overseas student commencement limits for private VET providers that had 80 per cent or more international student enrolments in 2023 will be equal to their 2023 new overseas student commencements minus 40.8 per cent. This 40.8 per cent reduction was determined by the remaining new overseas student commencements left after distribution to the other classes of providers. Further detail is available on the Department's website.

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**Department of Employment and Workplace Relations Question No. IQ24-000058**

Senator Sarah Henderson provided in writing.

**2 October 2024 | Written | Provider Concerns and Student Cap Variation**

**Question**

Coalition senators have sought information about each provider which has raised concerns about its proposed student cap including copies of the relevant correspondence. For each such impacted provider, please advise the individual student cap which is either proposed to be varied or has been varied including for:

- the pilot training sector;
- pathways colleges;
- providers which are delivering courses to support skills shortages;
- universities; and
- providers who have given evidence before the Employment and Education

Legislation Committee (committee).

We reiterate that in order to assess the bill and its ramifications, this information is critically important.

**Answer**

Since the initial advice to CRICOS VET providers regarding indicative new overseas student commencement (NOSC) limits on 6 and 7 September 2024, the Department has not varied or provided advice to government to vary any specific individual provider limit.

Final allocation of NOSC limits for VET providers are subject to the passage of the legislation.