

Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Industry Portfolio
Additional Budget Estimates Hearing 2013-14
2-3 June 2014

AGENCY/DEPARTMENT: DEPARTMENT OF INDUSTRY

TOPIC: VET FEE-HELP

REFERENCE: Written question – Senator Carr

QUESTION No.: BI-192

1. Under VET FEE HELP, what protections are in place to protect people with intellectual disabilities and other vulnerable people being signed up for large VET FEE HELP debts without fully understanding that they will be incurring a debt?
2. If an individual is unaware that they have accrued a debt or that there are questions around the accrual of the debt, what lines of appeal are available to question a VET FEE HELP debt?
3. What protections are in place to protect vulnerable people from failing one course and being signed up to another course by the same provider?
4. What regulations are in place to prevent training organisations from offering laptops, shopping vouchers and other incentives in order to sign people up to courses using VET FEE HELP?

ANSWER

1. The Department of Education advises that the *Higher Education Support Act 2003* (the Act) does not restrict a person's ability to access VET FEE-HELP based on perceived vulnerability or intellectual capacity to complete a course. Provided the person meets all of the eligibility requirements under the Act, the person may access VET FEE-HELP. The Act requires institutions to treat all students and persons seeking to enrol fairly. This includes having in place student protections required under the Act, such as implementing grievance procedures (including external referral), compliance with review of debt procedures, and the issuing of a Commonwealth Assistance Notice, which provides clear information to the student regarding the enrolment, fees charged and debt incurred.

Registered training organisations (RTOs) are required to adhere to principles of equity and access, as per SNR 16.1, 16.3 and 16.5 of the Standards for NVR Registered Training Organisations 2012. These standards require RTOs to: establish the needs of clients, and deliver services to meet these needs; inform clients about the training, assessment and support services to be provided and about their rights and obligations, before entering into an agreement with the client; and, ensure that learners receive training, assessment and support services that meet their individual needs. If an RTO fails to meet this standard, it may be subject to sanction or withdrawal of registration by the regulator.

Prospective students are further protected under paragraph 151(1)(i) of the Australian Consumer Law (Schedule 1 of the Competition and Consumer Act 2010), which states that it is an offence to make a false or misleading representation with respect to the price of goods or services in either supply or promotion of those services.

2. VET FEE-HELP institutions are required under the *Higher Education Support Act 2003* (the Act) to have in place administrative processes alerting persons seeking to enrol to the fees, debt arising as well as procedures for dealing with the remission of VET FEE-HELP debts. Under the Act, institutions must publish fee information on their website prior to enrolment, and issue

students with a Commonwealth Assistance Notice. The notice must provide clear information to the student regarding the enrolment, fees charged and debt incurred. Under the Act, a person may apply to their institution to have their VET FEE-HELP debt remitted where the person believes an administrative error has occurred or where 'special circumstances' apply to their debt. 'Special circumstances' relate to remission of the debt on compassionate grounds as defined in the Act, which refers to matters beyond the student's control that occur after incurring the debt resulting in inability to complete the study. Students who are not satisfied with the outcome of the process at their VET FEE-HELP institution may apply to raise their case with the Administrative Appeals Tribunal.

3. Registered training organisations are required to adhere to principles of equity and access, as per SNR 16.1, 16.3 and 16.5 of the *Standards for NVR Registered Training Organisations 2012*. These standards require training organisations to: establish the needs of clients, and deliver services to meet these needs; inform clients about the training, assessment and support services to be provided and about their rights and obligations, before entering into an agreement with the client; and, ensure that learners receive training, assessment and support services that meet their individual needs. It is appropriate for RTOs to address instances where students are not able to complete the course they have signed up to and offer them useful alternatives more likely to be within their capability to complete.

Under the *Higher Education Support Act 2003*, where a student does not successfully complete a unit of study they may apply to their institution, and on appeal to the Administrative Appeals Tribunal, for remission of their debt. As outlined in the answer in question 2 above, special circumstance requirements must be met for debt remission under these provisions. Alternatively, the student should follow the institution's grievance processes which are required under the Act, including referral to an external body for resolution.

4. There is nothing in the current *Higher Education Support Act 2003* or the *National Vocational Education and Training Regulator Act 2011* that prohibits the offering of free inducements, as long as students are treated fairly and provided with relevant information about rights and obligations including fee and debt information. The offer of laptops and other devices may be used to good effect when undertaking a VET course. However, if the inducement is offered in a manner considered to be unconscionable, there may be a remedy under the Australian Consumer Law. Sections 21 and 22 of the Australian Consumer Law prohibit unconscionable conduct in the supply or possible supply of goods or services.