

Senate Committee: Education and Employment

**QUESTION ON NOTICE
Additional Estimates 2014 - 2015**

Outcome: Higher Education Research and International

Department of Education and Training Question No. SQ15-000105

Senator Rhiannon, Lee provided in writing.

VET FEE HELP

Question

- (a) What is the criteria RTOs must meet before becoming eligible for VET-FEE-HELP?
- (b) How is it appropriate that the taxpayer is effectively subsidising the teaching of courses like hypnotherapy and “transpersonal art therapy” through VET-FEE-HELP, given that nearly half of the loans aren’t being repaid and thus those costs borne by the taxpayer.

Answer

- (a) An organisation seeking approval as a VET provider to offer VET FEE-HELP must meet certain legislative eligibility requirements. To be eligible to apply, an organisation must be a body corporate, or a body of the kind specified in clause 2.2 of the VET Guidelines 2015, with its central management and control in Australia, be a registered training organisation (RTO) as listed on the national register and offer at least one eligible accredited course.

RTOs considering applying must also meet legislative requirements in relation to financial viability, tuition assurance, student policies and procedures for fairness and equal opportunity, academic and non-academic grievance, refunds and re-crediting of a FEE-HELP balance. There are also ongoing responsibilities including certain administrative requirements and data reporting requirements associated with the Higher Education Loan Programme (HELP).

As part of the reforms to the VET FEE-HELP scheme announced by the Government in March 2015, the Department is strengthening the assessment criteria for, and ongoing scrutiny of all VET FEE-HELP providers. The new criteria will focus on the training and trading history of the applicant, and the ability of applicants to demonstrate financial viability without ambitious VET FEE-HELP revenue targets. For continuing providers, there will be an increased emphasis on assessing compliance with the VET guidelines, including requirements related to the fair and equitable treatment of students.

- (b) VET enables students to gain qualifications for all types of employment, and specific skills to help them in the workplace. The Australian Skills Quality Authority (ASQA) is the national regulator for Australia’s VET sector. ASQA regulates courses (including hypnotherapy and transpersonal art therapy courses) and the respective RTOs offering these courses, to ensure nationally approved quality standards are met.

The legislation that governs VET FEE-HELP enables the Australian Government to provide loans for certain vocational education courses of study. Government policy does not restrict which nationally recognised vocational qualifications may attract financial assistance in the form of loans for eligible students enrolling with education providers approved under the *Higher Education Support Act 2003*.

In relation to debts not being repaid, refer to SQ15-000102.