

Senate Committee: Education and Employment

QUESTION ON NOTICE Additional Estimates 2015 - 2016

Outcome: Skills and Training

Department of Education and Training Question No. SQ16-000558

Senator Carr, Kim provided in writing.

Higher Education Support Amendment – freeze on VET FEE-HELP loans

Question

How many representations has the Department received from providers with regard to the freeze on VET FEE-HELP loans which will be capped at 2015 levels? Please provide details of the size of providers making representations and the number of students potentially affected.

Do any of these representations relate to students who had been recruited for 2016 prior to the introduction of the Government's amendments? If so, how many students is the Department aware of who have been affected by this measure?

Answer

As at the end of February 2016, the Department of Education and Training has received just under 80 queries about the VET FEE-HELP freeze in 2016, and approximately 60 of these make a request for additional notional loan allocation (i.e. cap).

The extent and quality of information provided however varies quite considerably.

At this stage there are 30 applications where sufficient evidence and other information has been provided to allow the request to be given proper consideration. In many of these cases some additional information will be required before the application can be properly considered to allow a decision to be made.

A breakdown of the 30 applications under active consideration, by the amount of student HELP loan scheduled payments the providers are, or have been, receiving is as follows:

Size of provider	Up to \$500K	\$500K to \$1m	\$1m to \$5m	\$5m to \$10m	\$10m to \$20m	Over \$20m
No. of applicants	11	6	10	1	1	1

Note 1: Provider size is categorised by amount of annual HELP loan scheduled payments.

Note 2: Categorisation is before application of any cap variation.

Note 3: Additional credit sought varies considerably, and can affect the size of the provider, moving them between the above categories.

Current advice from some providers is that some students who had been recruited for 2016 prior to the introduction of the reforms are affected. At this stage; however, the department does not have data about the number of such students.