



# Senator the Hon Simon Birmingham

Assistant Minister for Education and Training

Senator for South Australia

Dear \*[FNAME]\*

As the recently appointed Assistant Minister for Education and Training, I am increasing the Australian Government's focus on skills, vocational education and training, putting trades and vocational education at the centre of our economic plan and ensuring Australian workers are highly skilled and job-ready.

Our government has embarked on a significant VET reform program, which has included widespread consultation and is focused on ensuring vocational education and training is led by industry and employer needs.

Over the past 12 months we have listened to stakeholders and introduced a range of measures in response, including:

- A risk management approach to ensure regulation is focused on training providers who are non-compliant, and lifts the red tape burden on high performing providers who are doing the right thing;
- Tough new standards that require training providers to make clear to all students what they are signing up for every time their debt level is due to increase and to be responsible for services delivered by brokers on their behalf;
- Committed \$68 million in funding over the next four years to enable ASQA to enforce the new standards and focus on compliance, rather than on processes which help it to fully recover its costs;
- A new National Training Complaints Hotline - 13 38 73 or via email at [skilling@education.gov.au](mailto:skilling@education.gov.au) - anyone with a complaint or query about the training sector now has one number to call, so they can report a complaint and have it referred to the right authority for consideration;
- Reviewing Training Packages and the way they are developed, in response to concerns raised about the relevance of the content, and the effectiveness of the processes to develop them and keep them up to date;
- Providing better support to apprentices and employers, through the new Australian Apprenticeship Support Network, to begin on 1 July; and
- Trade Support Loans that provide apprentices with up to \$20,000 over four years to help with the costs of equipment, particularly at the start of their apprenticeship when wages are lowest; and
- The new \$476 million Industry Skills Fund, supporting industry to take up growth opportunities, strengthening their productivity and competitiveness.
- The \$44 million Training for Employment Scholarship and Youth Employment Pathways Pilots which will trial new ways of providing training opportunities and to connect young people with the labour market from March 2015.

Since my appointment in late December, I have participated in a series of on-going national VET consultations across Australia. These consultations have given me the opportunity to hear first-hand from students, employers, training providers, industry associations, and others about what is working, and what still needs to be addressed.

I wish to put on record my thanks to all those who have made the time to participate. Those views, including in relation to the detailed discussions around training package content, are being heard, and will be considered as part of the government's ongoing reforms.

Quality, red tape, the relevance of training, the engagement of industry, the role of schools and the status of a VET career have been common themes raised with me during these consultations. Many of the government's reforms to date will go some way to addressing some of these issues, but I acknowledge there is more to do.

In particular, I will be taking strong action to stamp out the abuse of the VET FEE-HELP scheme by people out to make a quick buck at the expense of the vulnerable and the taxpayer. Stakeholders have reported to me, and to the national regulator:

- Students being signed up for "free courses" without knowing there is a loan attached, or the debt they are incurring;
- Students being given inadequate information about census dates, making it harder for them to make informed decisions about their course and debts;
- Students being signed up to courses despite clearly lacking the educational prerequisites necessary to successfully complete it; and
- Courses of only one unit of study, a miraculously short duration to complete a higher level Diploma or Advanced Diploma course, which results in the full debt load for the whole qualification being levied in one go at the start of the course.

As well as raising these concerns I have been pleased to see employers and the sector proposing solutions, from establishing minimum capability requirements for enrolling students, to aligning payments to providers with key completion milestones and ensuring diplomas are not completed in an impossibly short timeframe.

The Australian Government supports the principle of VET FEE-HELP. However, the failure of the previous Labor Government to introduce and enforce proper administration and standards for the scheme has left it open to abuse, and left students and taxpayers vulnerable.

In coming weeks I will continue to consult with employers, students, training providers and the wider community about these ideas, and to further progress the VET reform agenda. Together we can ensure that Australian businesses have the skilled workers they need now and in the future.

Your further involvement in these discussions, especially your views on changes to VET FEE-HELP, is most welcome, via email at [vettaskforce@education.gov.au](mailto:vettaskforce@education.gov.au) or by contacting my office.

For further information on VET Reform, you may also visit [www.vetreform.industry.gov.au](http://www.vetreform.industry.gov.au)

I look forward to working with you to ensure vocational education and training continues to make a successful contribution to the lives of millions of Australians and our overall economic prosperity.

Yours sincerely

A handwritten signature in blue ink that reads "Simon Birmingham". The signature is fluid and cursive, with the first name "Simon" and the last name "Birmingham" clearly distinguishable.

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