



Dear VET FEE-HELP applicant

### **Update on VET FEE-HELP Reforms**

I am writing to provide you with information on the Australian Government's reforms to the VET FEE-HELP loan scheme and to draw your attention to new requirements that will commence on 1 January 2016.

As you would be aware the Government has previously announced a number of new measures to commence on 1 January 2016 including:

- strengthening the assessment criteria for, and ongoing scrutiny of, all training providers;
- ensuring student debt is incurred in line with course delivery, and increasing protections for students;
- establishing minimum pre-requisite and prior education qualifications for students wishing to access VET FEE-HELP, including demonstrated literacy and numeracy requirements; and
- strengthening the debt remission processes for students under VET FEE-HELP.

On 1 December 2015, the Government also announced additional measures that will come into effect from 1 January 2016 to strengthen the VET FEE-HELP scheme ahead of the introduction of a new model to commence in 2017. These additional measures include:

- introducing new entry requirements for training providers wishing to offer VET FEE-HELP loans;
- freezing the total loan limit for existing providers at 2015 levels, with new provider levels limited to 2015 domestic fee revenue in qualifying courses;
- moving to payment in arrears for certain providers through additional flexibility in determining the manner and timing of payments;
- pausing payments and suspending providers for new enrolments where there are concerns about performance.

On 3 December 2015, the Higher Education Support Amendment (VET FEE-HELP Reform) Bill 2015 (the Bill) passed the Parliament and will shortly take effect. The Department is in the process of updating the VET Guidelines to reflect the changes made by the Bill. In the interim, I am attaching some advice to assist you in deciding whether or not you should continue with your VET FEE-HELP application. In particular, I draw your attention to the new eligibility rules which include but are not limited to:

- minimum five year trading history as a registered training organisation
- minimum five year eligible course delivery history
- new requirements for auditors, accountants and financial statements
- minimum available cash and cash equivalent asset levels
- a body corporate that is a trustee of a trust is not eligible
- six month exclusion period for applicants that have applied and not been approved.

The Department of Education and Training continues to progress the assessment of a large number of applications and is unable to advance any application ahead of others. As a result, not all applications currently under assessment will have a decision made prior to the commencement of the new entry requirements.

*Opportunity through learning*

If your application is not approved prior to 1 January 2016, the new entry requirements will apply and you will need to submit supplementary information in the HELP Information Technology System (HITS) to meet the new requirements. You will need to review the documentation you have submitted in HITS and add further information in support of your application. The attached flyer provides interim information on the new eligibility rules.

If you decide that you do not wish to continue with your application you can withdraw your application in HITS. The steps to withdraw are detailed in the HELP IT Application - User Guide which can be found at [www.education.gov.au/hits-user-guide-and-training-videos](http://www.education.gov.au/hits-user-guide-and-training-videos).

If you have any queries about the changes and how they affect your organisation please direct them to [TSEnquiries@education.gov.au](mailto:TSEnquiries@education.gov.au), with 'VFH Reforms – Application' in the subject line.

Yours sincerely

A handwritten signature in black ink, appearing to read 'M. Quagliata', followed by a period.

Maryann Quagliata  
Branch Manager  
VET FEE-HELP Branch

18 December 2015